

Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries

Consolidated Financial Statements for the year ended 30 September 2013 prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Directors' Report, together with Independent Auditors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Sole Shareholder of
Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries:

We have audited the consolidated financial statements of Compañía de Distribución Integral Logista, S.A.U. (the Parent) and Subsidiaries (the Group) comprising the consolidated balance sheet at 30 September 2013 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended ("2013"). As indicated in Note 2.4 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination by means of selective tests, of the evidence supporting the financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.

In our opinion, the accompanying consolidated financial statements for 2013 present fairly, in all material respects, the consolidated equity and consolidated financial position of Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries at 30 September 2013 and the consolidated results of their operations and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.

The accompanying consolidated directors' report for 2013 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2013. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries.

DELOITTE, S.L.
Registered in R.O.A.C. under no. S0692



José Luis Aller

November 28, 2013

Compañía de Distribución Integral Logista, S.A.U. and Subsidiaries

Consolidated Financial Statements for the
year ended 30 September 2013 prepared in
accordance with International Financial
Reporting Standards (IFRSs) as adopted by
the European Union and Directors' Report

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40.) In the event of a discrepancy, the Spanish-language version prevails.

COMPANÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2013 AND 2012 (Thousands of Euros)

ASSETS	Note	30-09-2013	30-09-2012	EQUITY AND LIABILITIES	Note	30-09-2013	30-09-2012
NON-CURRENT ASSETS:				EQUITY:			
Property, plant and equipment	6	242,732	210,611	Share capital	16	26,550	26,550
Investment property	6	12,941	3,674	Share premium	17	178,814	178,814
Goodwill	8	919,190	690,921	Reserves of the Parent	17	7,172	6,876
Other intangible assets	9	756,278	28,842	Reserves at consolidated companies	18 and 19	138,882	131,516
Investments in associates	10	36	541	Translation differences		137	166
Other non-current financial assets	11.1	12,010	11,448	Valuation adjustments	20	19,950	19,950
Deferred tax assets	26	57,048	47,751	Consolidated profit for the period		87,605	82,186
Total non-current assets		2,000,235	993,788	Equity attributable to shareholders of the Parent	21	459,110	446,058
				Minority interests		1,714	1,812
				Total equity		460,824	447,870
CURRENT ASSETS:				NON-CURRENT LIABILITIES:			
Inventories	12	1,208,067	678,048	Other non-current liabilities	23	5,469	5,521
Trade and other receivables	13	1,560,090	841,670	Long-term provisions	25	161,180	146,829
Tax receivables	26	14,495	5,183	Deferred tax liabilities	26	374,711	103,265
Other current financial assets	11.2	1,601,787	1,122,507	Total non-current liabilities		541,360	255,615
Cash and cash equivalents	14	149,907	46,266	CURRENT LIABILITIES:			
Other current assets	15	9,869	4,851	Bank borrowings	22	3,729	5,326
Total current assets		4,544,215	2,698,525	Other current financial liabilities	27	115,943	32,492
				Current obligations under finance leases	28	1,037,598	769,932
				Trade and other payables	26	4,321,421	2,141,365
				Tax payables	25	10,154	7,859
				Short-term provisions	29	54,697	33,729
				Other current liabilities		5,543,542	2,990,704
NON-CURRENT ASSETS HELD FOR SALE	7	1,276	1,876	Total current liabilities		6,545,726	3,694,189
TOTAL ASSETS		6,545,726	3,694,189	TOTAL EQUITY AND LIABILITIES			

The accompanying Notes 1 to 40 are an integral part of the consolidated balance sheet at 30 September 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

**COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U.
AND SUBSIDIARIES**

**CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED
30 SEPTEMBER 2013 AND 2012
(Thousands of Euros)**

	Note	2013	2012
Revenue	31a)	9,862,814	5,543,318
Procurements		(8,851,304)	(4,802,309)
Gross profit-		1,011,510	741,009
Cost of logistics networks-			
Staff costs	31b)	(164,995)	(122,358)
Transport costs		(205,387)	(173,921)
Provincial sales office expenses		(71,261)	(79,556)
Depreciation and amortisation charge	6 and 9	(87,499)	(28,798)
Other operating expenses	31c)	(155,950)	(122,788)
Total cost of logistics networks		(685,092)	(527,421)
Commercial expenses-			
Staff costs	31b)	(42,270)	(7,444)
Other operating expenses	31c)	(25,885)	(15,300)
Total commercial expenses		(68,155)	(22,744)
Research expenses-		(3,397)	-
Head office expenses-			
Staff costs	31b)	(73,969)	(47,409)
Depreciation and amortisation charge	6 and 9	(4,670)	(4,764)
Other operating expenses	31c)	(35,663)	(19,412)
Total head office expenses		(114,302)	(71,585)
Share of results of companies	10	(498)	(432)
Net loss on disposal and impairment of non-current assets	2.8.5, 6 and 8	(14,404)	(10,872)
Other expenses		(2,511)	(3,720)
Profit from operations-		123,151	104,235
Finance income	31e)	7,374	25,075
Finance costs	31f)	(11,589)	(11,821)
Profit before tax-		118,936	117,489
Income tax	26	(30,329)	(35,413)
Profit for the period from continuing operations-		88,607	82,076
Loss for the period from discontinued operations net of tax	36	(1,022)	(600)
Profit for the period-		87,585	81,476
Attributable to-			
Shareholder of the Parent		87,605	82,186
Minority interests	21	(20)	(710)
Basic earnings per share	5	1.98	1.86

The accompanying Notes 1 to 40 are an integral part of the consolidated income statements for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 30 SEPTEMBER 2013 AND 2012

(Thousands of Euros)

	2013	2012
Profit for the year	87,585	81,476
Net gain (loss) on available for sale financial assets during the year	-	-
Net gain (loss) on cash flow hedging instruments available for sale financial assets during the year	-	-
Net actuarial gain (loss) recognised directly in equity (Note 25)	-	(1,600)
Foreign exchange rate changes	(29)	(24)
Net gain (loss) on taxes recognised directly in equity	-	-
Total other comprehensive income	(29)	(1,624)
Total comprehensive income for the year	87,556	79,852
Attributable to-		
Shareholders of the Parent	87,576	80,562
Minority interests	(20)	(710)
Total attributable	87,556	79,852
Total effect of changes in accounting policies	-	-

The accompanying Notes 1 to 40 are an integral part of the consolidated statement of comprehensive income for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40).
In the event of a discrepancy, the Spanish-language version prevails.

COMPañÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 SEPTEMBER 2013 AND 2012

(Thousands of Euros)

	Share Capital	Share Premium	Reserves of the Parent	Reserves at Consolidated Companies	Valuation Adjustments	Translation Differences	Profit for the Year	Total	Minority Interests	Total Equity
Balance at 30 September 2011	26,550	178,814	6,845	83,701	19,950	190	91,868	407,918	8,641	416,559
Net profit for 2012 attributable to the Parent	-	-	-	-	-	(24)	82,186	82,162	-	82,162
Loss attributable to minority interests	-	-	-	-	-	-	-	-	(710)	(710)
Actuarial losses (Note 25)	-	-	(1,600)	-	-	-	-	(1,600)	-	(1,600)
Income and expenses recognised in the period	-	-	(1,600)	-	-	(24)	82,186	80,562	(710)	79,852
I. Transactions with Shareholders:										
Distribution of profit:										
To reserves	-	-	1,631	41,562	-	-	(43,193)	-	-	-
Dividends (Note 17)	-	-	-	-	-	-	(48,675)	(48,675)	(247)	(48,922)
Acquisition of minority interests' participations	-	-	-	6,238	-	-	-	6,238	(5,872)	366
Other changes	-	-	-	15	-	-	-	15	-	15
Balance at 30 September 2012	26,550	178,814	6,876	131,516	19,950	166	82,186	446,058	1,812	447,870
Net profit for 2013 attributable to the Parent	-	-	-	-	-	(29)	87,605	87,576	-	87,576
Loss attributable to minority interests	-	-	-	-	-	-	-	-	(20)	(20)
Income and expenses recognised in the period	-	-	-	-	-	(29)	87,605	87,576	(20)	87,556
I. Transactions with Shareholders:										
Distribution of profit:										
To reserves	-	-	296	7,550	-	-	(7,846)	-	-	-
Dividends (Note 17)	-	-	-	-	-	-	(74,340)	(74,340)	-	(74,340)
Sale of minority interests	-	-	-	-	-	-	-	-	(17)	(17)
Business combination (Note 39)	-	-	-	-	-	-	-	-	(61)	(61)
Other changes	-	-	-	(184)	-	-	-	(184)	-	(184)
Balance at 30 September 2013	26,550	178,814	7,172	138,882	19,950	137	87,605	459,110	1,714	460,824

The accompanying Notes 1 to 40 are an integral part of the consolidated statement of changes in equity for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA, S.A.U. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 30 SEPTEMBER 2013 AND 2012 (Thousands of Euros)

	Note	2013	2012
OPERATING ACTIVITIES:			
Consolidated profit before tax from continuing operations		118,936	117,489
Adjustments for-			
Profit of companies accounted for using the equity method	10	498	432
Depreciation and amortisation charge	6 and 9	92,169	33,562
Period provisions	11, 12, 13 and 25	40,974	31,515
Proceeds from disposal of non-current assets		(88)	50
Other adjustments to profit		9,312	10,822
Financial profit		4,215	(13,254)
Adjusted profit		266,016	180,616
Net change in assets / liabilities-			
(Increase)/Decrease in inventories		(18,481)	84,448
(Increase)/Decrease in trade and other receivables		73,823	14,659
(Increase)/Decrease in other non current assets		(197)	2,392
Increase/(Decrease) in trade payables		(22,209)	171,909
Increase/(Decrease) in other current liabilities		(4,893)	(318,046)
Increase (Decrease) in other non-current liabilities		(37,374)	(9,231)
Income tax paid		(35,413)	(26,825)
Finance income and costs		(4,215)	13,222
Total net cash flows from operating activities		217,057	113,144
INVESTING ACTIVITIES:			
Net investment in property, plant and equipment	6	(24,737)	(15,546)
Addition to intangible assets	9	(11,360)	(8,087)
Investments and other current and non-current financial assets		(98,229)	(14,294)
Sale of non-current assets held for sale		239	-
Total net cash flows from investing activities		(134,087)	(37,927)
FINANCING ACTIVITIES:			
Dividends paid (-)	17	(74,340)	(48,675)
Changes in current borrowings	27	(33,306)	(14,264)
Changes in non-current borrowings		(174)	(1,511)
Minority interests	21	(37)	115
Total net cash flows from financing activities		(107,857)	(64,335)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		(24,887)	10,882
Cash and cash equivalents at beginning of year		46,266	35,384
Cash incorporated by the additions to the scope of consolidation	39	128,528	-
Net change in cash and cash equivalents during the year		(24,887)	10,882
Total cash and cash equivalents at end of year		149,907	46,266

The accompanying Notes 1 to 40 are an integral part of the consolidated cash flow statement for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 40). In the event of a discrepancy, the Spanish-language version prevails.

Compañía de

Distribución Integral Logista, S.A.U. and Subsidiaries

Notes to the Consolidated Financial Statements

for the year ended

30 September 2013

Prepared in accordance with IFRSs

as adopted by the EU

1. Composition of the Logista Group

The Parent, Compañía de Distribución Integral Logista, S.A.U. (until 1999 Marco Ibérica, Distribución de Ediciones, S.A., "Midesa"), was incorporated in 1964.

In 1999 Tabacalera, S.A. (currently Altadis, S.A.U.) subscribed a capital increase at the Company through the contribution of the tobacco and other product import and distribution business line, including the employees, the physical assets assigned to it and the distribution and transport contracts.

The Parent's registered office is in Leganés (Madrid), Polvoranca Industrial Park, calle Trigo, no. 39, and its company object is as follows:

1. The marketing, purchase and sale, including import and export, storage, transport and distribution of tobacco products (including the raw material and finished product) and accessories relating to their consumption.
2. The distribution of all kinds of documents, forms or certificates issued by public- or private-sector entities.
3. The distribution of other forms, certificates, travel and parking documents, bingo cards, telephone cards and all kinds of cards and tickets for entertainment shows, services related to marketing and supply of all type of gaming products, legally authorized.
4. The distribution of other products to tobacco and stamp vendors and to the various channels that market tobacco product accessories and complementary articles.
5. Trading, manufacturing and business dealings, including import and export and other transactions referring to the articles, objects, products, equipment, parts, elements and materials mentioned in the preceding points.
6. The purchase, sale and distribution of all manner of products and goods relating to food, beverages and usable and consumable articles, their export and import, and their dealership, distribution and marketing.
7. The provision of all manner of technical, transport, commercial and consulting services in their various forms, including manufacturer-supplier mediation services and centralised collection and payment services.
8. The marketing, distribution, transport and sale of all manner of consumer products and goods which are usually supplied to kiosks, tobacconists, supermarkets and hypermarkets, and to other sales outlets easily accessible by the consumer.
9. The acquisition, management, distribution and ownership of shares or equity interests in other companies, whatever are their company object.

10. The supply and marketing of telephone services, prepaid landline services and mobile phone recharge cards, the distribution of phone time "off line" and prepaid minutes on line, distribution, installation and operation of terminals phone recharge, as well as their technical assistance, maintenance and repair thereof
11. The supply and marketing of services related to information technology and communications, in particular the sale, lease, installation, operation, control, development and / or operation, maintenance and repair of equipment, systems, programs and computer applications and technical infrastructure adequate to provide, by electronic means and / or information technology of the activities mentioned in the preceding paragraphs.

On 29 September 2005, the Parent's Board of Directors approved the segregation of the publications and books distribution lines of business and on 30 December 2005 it incorporated two companies named Compañía de Distribución Integral de Publicaciones Logista, S.L. and Logista Libros, S.L. and contributed the aforementioned lines of business to them.

On 13 August 2008 the Parent Company inscribed in the Mercantile Registry its condition as a Sole-Shareholder company, being the Sole-Shareholder Altadis, S.A.U. (see Note 16).

In addition to the operations carried on directly by it, Logista, S.A.U. is the head of a group of domestic and foreign subsidiaries that engage in various business activities and which compose, together with Logista S.A.U., the Logista Group ("the Group"). In addition to its own individual financial statements, Logista, S.A.U. also prepares consolidated financial statements for the Group, including its interests in joint ventures and investments in associates.

A detail of the investees included in the scope of consolidation comprising the Logista Group at 30 September 2013 and 2012 is provided in Appendices I and II, which includes, inter alia, the percentage and cost of the ownership interest held by the Parent and the line of business, company name and registered office of each investee.

In turn, Altadis, S.A.U., the Company's parent, belongs to the Imperial Tobacco Limited Group, which is governed by the corporate legislation in force in the United Kingdom, and whose registered office is at 121 Winterstoke Road, Bristol, BS3 2LL (United Kingdom). The consolidated financial statements of the Imperial Tobacco Limited Group for 2012 were formally prepared by its directors at the Board of Directors meeting held on 30 October 2012.

2. Basis of presentation of the financial statements and basis of consolidation

2.1 Adoption of International Financial Reporting Standards (IFRSs)

Since 1 January 2005, the Group has prepared consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

2.2 Standards and interpretations effective in 2012

In the year ended 30 September 2013 the following standards, amendments to standards and interpretations came into force, which, if applicable, were applied by the Group in the preparation of the consolidated financial statements:

- ***Amendments to IAS 1 – Presentation of Items of Other Comprehensive***

These amendments consist basically of the requirement for items of Other Comprehensive Income to be classified into items that will be reclassified (recycled) to profit or loss in subsequent periods and items that will not be reclassified.

2.3 Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet come into force, either because their effective date is

subsequent to the date of the consolidated financial statements or because they had not yet been endorsed by the European Union:

Standards and modifications thereof:		Obligatory Application in Annual Reporting Periods Beginning On or After:
IFRS 13, Fair Value Measurement	Sets out a framework for measuring fair value.	1 January 2013
Amendments to IAS 19, Employee Benefits	The amendments affect mainly defined benefit plans since one of the major changes is the elimination of the "corridor".	1 January 2013
Amendments to IFRS 7, Disclosures: Offsetting Financial Assets and Financial Liabilities	Introduction of new disclosure requirements regarding the financial assets and liabilities described in IAS 32.	1 January 2013
Amendments to IAS 12, Income Taxes – Deferred Taxes Arising from Investment Property	On the measurement of deferred taxes arising from investment property using the fair value model in IAS 40.	1 January 2013
Improvements to NIIF 2009-2011	Minor modifications in a series of rules	1 January 2013
IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (issued in October 2011)	The IFRS Interpretations Committee addresses the accounting treatment of the waste removal costs incurred in surface mining.	1 January 2013
IFRS 10, Consolidated Financial Statements	Supersedes the requirements relating to consolidated financial statements in IAS 27.	1 January 2014
IFRS 11, Joint Arrangements	Supersedes IAS 31 on joint ventures.	1 January 2014
IFRS 12, Disclosure of Interests in Other Entities	Single IFRS presenting the disclosure requirements for interests in subsidiaries, associates, joint arrangements and unconsolidated entities.	1 January 2014
IAS 27 (Revised), Separate Financial Statements	The IAS is revised, since as a result of the issue of IFRS 10 it applies only to the separate financial statements of an entity.	1 January 2014
IAS 28 (Revised), Investments in Associates and Joint Ventures	Revision in conjunction with the issue of IFRS 11, Joint Arrangements.	1 January 2014
Transition rules: Amendments to IFRS 10, IFRS 11 and IFRS 12	Clarification of the transition rules relating to these standards.	1 January 2014
Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities	Additional clarifications to the rules for offsetting financial assets and financial liabilities under IAS 32.	1 January 2014
IFRS 9, Financial Instruments: Classification and Measurement and subsequent amendments to IFRS 9 and IFRS 7, Effective Date and Transition Disclosures (a)	Replaces the IAS 39 classification, measurement and derecognition requirements for financial assets and liabilities.	1 January 2015
Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27 (a)	Exception from consolidation for parent companies that meet the definition of investment entities	1 January 2014
Amendments to IAS 36 - Recoverable Amount Disclosures for Non-Financial Assets (a)	This amendment clarifies when certain disclosures are required and extends the disclosures required when recoverable amount is based on fair value less costs to sell	1 January 2014

Standards and modifications thereof:		Obligatory Application in Annual Reporting Periods Beginning On or After:
IFRIC 21, Levies (a)	This interpretation provides guidance on when to recognise a liability to pay a levy or tax that is triggered by a company undertaking an activity on a specified date	1 January 2014

(a) Standards not yet adopted by the European Union at the date of preparation of these financial statements.

The directors of the Parent have not yet assessed the impact that the application of these standards might have on the accompanying consolidated financial statements.

2.4 Authorisation for issue of the consolidated financial statements

These consolidated financial statements were formally prepared by the directors in accordance with the regulatory financial reporting framework applicable to the Group, which consists of:

- a) The Spanish Commercial Code and all other Spanish corporate law.
- b) International Financial Reporting Standards (IFRS), as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and Law 62/2003, of 30 December, on Tax, Administrative, Labour and Social Security Measures.
- c) All other applicable Spanish accounting legislation.

The accompanying consolidated financial statements, which were obtained from the accounting records of the Company and of its subsidiaries, are presented in accordance with the regulatory financial reporting framework applicable to the Group and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Group's equity, financial position, results of operations and cash flows for 2013. These consolidated financial statements were formally prepared by the Board of Directors at its meeting on 27 November 2013. The directors of Compañía de Distribución Integral Logista, S.A.U. will submit these consolidated financial statements for approval by the Sole-Shareholder, and it is considered that they will be approved without any changes.

The Group's consolidated financial statements for 2012 were approved by the Parent's Sole-Shareholder on 26 March 2013, and inscribed in the Mercantile Register Office of Madrid.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2013 are summarised in Note 4.

2.5 Information relating to 2012

As required by IAS 1, the information relating to 2012 contained in these notes to the consolidated financial statements is presented with the information relating to 2013 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2012.

As indicated in Note 39 to the accompanying consolidated financial statements, in 2013 the Group carried out a business combination, which should be taken into account when interpreting the information disclosed in these notes.

2.6 Presentation currency

These consolidated financial statements are presented in euros since this is the currency of the primary economic environment in which the Group operates. Transactions in currencies other than the euro are recognised in accordance with the policies described in Note 4.14.

2.7 Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the Parent's directors.

In preparing the consolidated financial statements for 2013, estimates were made by the Group's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets.
- The assumptions used in the actuarial calculations of the pension liabilities and other obligations to employees.
- The useful life of the property, plant and equipment and intangible assets.
- The measurement and impairment of goodwill and of certain intangible assets.
- The market value of certain assets.
- The calculation of the required provisions.

Although these estimates were made on the basis of the best information available at 2013 year end, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years.

2.8 Basis of consolidation

2.8.1 Subsidiaries

Subsidiaries are defined as companies included in the scope of consolidation which the Parent manages directly or indirectly because it holds a majority of the voting rights in their representation and decision-making bodies or over which it has the capacity to exercise control.

The financial statements of the subsidiaries are fully consolidated. Accordingly, all material balances and transactions between consolidated companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group.

The share of minority interests of the equity and profit of the Group is presented under "Minority Interests" in the consolidated balance sheet and under "Profit/Loss for the Year Attributable to Minority Interests" in the consolidated income statement, respectively.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or until the date of disposal, as appropriate.

2.8.2 Joint ventures and joint operations

"Joint ventures" are deemed to be ventures that are managed jointly by the Parent and third parties unrelated to the Group, where neither party can exercise greater control than the other. The financial statements of the joint ventures are proportionately consolidated.

The assets and liabilities assigned to jointly controlled operations (unincorporated temporary joint ventures, UTEs) or those controlled jointly with other venturers are presented by recognising in its balance sheet the share corresponding to it, in proportion to its ownership interest, of the jointly controlled assets and of the jointly incurred liabilities, classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint ventures is recognised in the consolidated income statement on the basis of the nature of the

related items. In addition, the proportional part corresponding to the Group of the related items of the joint venture is included in the statement of changes in equity and the statement of cash flows.

Where necessary, adjustments are made to the financial statements of these companies to adapt the accounting policies used to those applied by the Group.

2.8.3 Associates

Associates are companies over which the Parent is in a position to exercise significant influence. In general, significant influence is presumed to exist when the Group's percentage of (direct or indirect) ownership exceeds 20% of the voting rights, provided that it does not exceed 50%.

In the consolidated financial statements, investments in associates are accounted for using the equity method, i.e. at the Group's share of net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

In the case of transactions with an associate, the related profits and losses are eliminated to the extent of the Group's interest in the associate's capital.

Where necessary, adjustments are made to the financial statements of these companies to adapt the accounting policies used to those applied by the Group.

If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the Group's consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support, in which case the related provision would be recorded.

2.8.4 Translation of foreign currency

The various items in the balance sheets and income statements of the foreign companies included in consolidation were translated to euros as follows:

- Assets and liabilities were translated to euros at the official year-end exchange rates.
- Share capital and reserves were translated to euros at the historical exchange rate.
- Income statement items were translated to euros at the average exchange rate for the year.

The exchange differences arising from the use of these criteria were included in equity under "Reserves at Consolidated Companies - Translation Differences". These translation differences will be recognised as income or expenses in the period in which the investment that gave rise to them is realised or disposed of in full or in part.

In 2013 all of the Logista Group companies presented their financial statements in euros, except for Compañía de Distribución Integral Logista Polska, Sp. z o.o. and Logesta Polska Sp., z o.o. (both located in Poland) and Logesta Maroc, S.A. (located in Morocco).

2.8.5 Changes in the scope of consolidation and in the ownership interests

The most significant changes in the scope of consolidation in 2013 and 2012 that affect the comparison between years were as follows:

1. Main changes in the scope of consolidation in 2013

Additions or acquisitions

On 9 October 2012, the Parent acquired all the shares of Altadis Distribution France, S.A.S. from Seita, S.A.S., a company also belonging to the Imperial Tobacco Limited Group. The transaction price was EUR 920,162

thousand, which were paid through the transfer of the same amount from the Parent's account receivable from Altadis, S.A.U. (see Note 39).

Disposals

On 8 March 2013, the subsidiary Compañía de Distribución Integral de Publicaciones Logista, S.L.U. entered into an agreement to sell all the shares it held in Logista Portugal Distribuição de Publicações, S.A. to Distrinews, S.A., which does not form part of the Imperial Tobacco Limited Group, for an amount of EUR 1. Also, Compañía de Distribución Integral de Publicaciones Logista, S.L.U. contributed to the buyer an amount of EUR 2,242 thousand, to offset the equity deficit of the company disposed of, and a non-refundable loan of EUR 3,000 thousand. The net loss on the transaction for consolidation purposes amounted to EUR 3,580 thousand, which were recognised under "Net loss on disposal and impairment of non-current assets" in the accompanying consolidated income statement for 2013.

On 9 January 2013, the subsidiary Société Allumettiére Française, S.A.S., a subsidiary of Logista France, S.A.S., entered into an agreement to sell all its shares in RP Diffusion, S.A.S. for EUR 239 thousand. The net loss for consolidation purposes amounted to EUR 8,243 thousand, which were totally provisioned in Logista France, S.A.S. at 30 September 2012. In addition, the net loss incurred by RP Diffusion, S.A.S. in 2013 until its sale amounts to EUR 422 thousand, which have been recognized under "Loss for the Year from Discontinued Operations Net of Tax" in the accompanying consolidated income statement for 2013 (see Note 36).

2. Main changes in the scope of consolidation in 2012

Additions or acquisitions

On 26 January 2012, the shareholders at the General Meeting of Compañía de Distribución Integral de Publicaciones Logista, S.L. resolved to reduce share capital by EUR 5,155 thousand in order to offset losses. This reduction was assumed by the shareholders in proportion to their ownership interest in the Company's share capital.

Additionally, on 13 July 2012, the shareholders at the General Meeting of Compañía de Distribución Integral de Publicaciones Logista, S.L. approved an additional capital reduction of EUR 2,037 thousand to reduce share capital to zero and, for this purpose, all this company's shares were retired. At the same time, a capital increase of EUR 1,100 thousand with a share premium of EUR 4,994 thousand was approved in order to restore the company's equity equilibrium.

The aforementioned capital increase and share premium were subscribed and paid in full by Compañía de Distribución Integral Logista, S.A.U., since the other shareholder, Editorial Planeta de Agostini, S.A.U., waived its pre-emption rights.

On 12 December 2011, the subsidiary Logesta Gestión de Transporte, S.A.U. acquired the remaining 40% of Logesta Noroeste, S.A. for EUR 195 thousand. As a result, Logesta Gestión de Transporte, S.A.U. owns all the share capital of the former.

Disposals

On 13 December 2011, the subsidiary, Compañía de Distribución Integral de Publicaciones Logista, S.L.U., registered the liquidation of its subsidiary Distriburgos, S.L. at the Mercantile Registry, although this transaction did not give rise to any results at consolidated level.

On 12 July 2012 the subsidiary Compañía de Distribución Integral de Publicaciones Logista, S.L.U. formalized the liquidation of its subsidiary Asturesa, S.A. de Distribuciones. This liquidation has been registered at the Mercantile Registry at 29 November 2012. This transaction has not given rise to any results at consolidated level.

On 4 May 2012 the subsidiary Transportes Basegar, S.A. inscribed in the Mercantile Registry the liquidation of its subsidiary Basegar Logística, S.L. This transaction has not given rise to any results at consolidated level.

3. Distribution of the Parent's profit

The distribution of profit for 2013, amounting to EUR 82,403 thousand, that the Parent's directors will propose for approval by its Sole-Shareholder consists of paying a dividend of EUR 1.80 per share out of profit for the year and allocating the remainder of the profit obtained during the year to increase the balance of voluntary reserves, as follows:

	Thousands of Euros
To voluntary reserves	2,753
Dividends	79,650
Total	82,403

4. Accounting principles and policies and measurement bases

The principal measurement bases and accounting principles and policies applied in preparing the consolidated financial statements for 2013 in accordance with the IFRSs in force at the date of the related financial statements are described below. None of the standards were applied early.

4.1 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less any accumulated depreciation. In the case of assets acquired by the Group as a result of asset contributions, acquisition cost is considered to be the market value of these assets determined by professional valuers at the date on which the assets were contributed.

"Asset exchange" means the acquisition of property, plant and equipment or intangible assets in exchange for the delivery of other non-monetary assets or of a combination of monetary and non-monetary assets. An asset exchange transaction has commercial substance if the configuration or the fair value of the cash flows of the asset received differs from the configuration or the fair value of the cash flows of the asset given up. As a general rule, the asset received in an asset exchange transaction with commercial substance is recognised at the fair value of the asset given up, provided that this fair value can be measured reliably. Otherwise, the asset received is recognised at the carrying amount of the asset given up at the transaction date.

As a result of the transition to International Accounting Standards (IAS), the Group revalued a plot of land assigned to its business activities by EUR 28,500 thousand, on the basis of an appraisal from an independent value and the market value of the aforementioned plot was considered to be the deemed cost on the transition to IFRS. The detail of the aforementioned revaluation is as follows:

Thousands of Euros				
Carrying Amount	Fair Value	Surplus	Tax Effect (Note 26)	Effect on Reserves (Note 20)
9,000	37,500	28,500	(8,550)	19,950

The upkeep and maintenance costs of the various items of property, plant and equipment are recognised in the income statement as incurred. The amounts invested in improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

In-house work on non-current assets is measured at accumulated cost (external costs plus in-house costs, determined on the basis of direct and general manufacturing costs).

The consolidated companies depreciate their property, plant and equipment using the straight-line method, applying annual depreciation rates determined on the basis of the years of estimated useful life of the related assets. The depreciation rates applied are as follows:

	Annual Depreciation Rates (%)
Buildings	2-4
Plant and machinery	10-12
Other fixtures, tools and furniture	8-16
Other items of property, plant and Equipment	12-16

Land is considered to have an indefinite useful life and, therefore, is not depreciated.

4.2 Investment property

Investment property relates to investments in land and buildings held to earn rentals. Investment property is stated at the lower of cost, less any accumulated depreciation, and market value. Depreciation is recognised using the same methods as those used for items of the same category classified under "Property, Plant and Equipment" (see Note 4.1).

The Group determines periodically the market value of its investment property by reference to the prices of comparable transactions, in-house studies, external appraisals, etc.

4.3 Goodwill

In the company acquisitions performed, the excess of the cost of the business combination over the interest acquired in the acquisition-date net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill.

Goodwill is only recognised when it has been acquired for consideration.

Goodwill arising from the acquisition of an associate is recognised as an increase in the value of the investment.

Goodwill is not amortised. Accordingly, at the date of each consolidated balance sheet the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell. These valuation adjustments are recognised as an expense in the income statement. If there is any impairment, the goodwill is written down and the impairment loss is recognised. An impairment loss recognised for goodwill must not be reversed in a subsequent period.

To perform the aforementioned impairment test, the goodwill is allocated in full to one or more cash-generating units.

The recoverable amount of each cash-generating unit is the higher of value in use and the net selling price of the assets associated with the cash-generating unit. Value in use is calculated on the basis of the estimated future cash flows, discounted using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the business.

The recoverable amounts were calculated for each cash-generating unit using profit and loss, investment and working capital projections for the next three years. The discount rate used ranged from 7.6% to 12.1% in 2013 (2012: from 10.6% to 12.7%). Also, the growth rate of activity used to calculate the residual value of each cash-generating unit after the projected period was 0%.

4.4 Intangible assets

Intangible assets with finite useful lives are amortised using the straight-line method, applying annual amortisation rates determined on the basis of the years of the estimated useful lives of the related assets.

Trademarks

"Trademarks" includes the acquisition cost of the rights over certain trademarks and/or the value assigned thereto on consolidation (see Note 9).

The Group considers "Trademarks" as assets with indefinite useful lives.

Concessions, rights and licences

"Concessions, Rights and Licences" includes mainly the amounts paid to acquire certain concessions and licences. The assets included in this account are amortised on a straight-line basis over the term thereof.

Also, as a result of allocating the purchase price of Altadis Distribution France, S.A.S. to the identifiable assets and liabilities of that company, the Group recognised in its consolidated balance sheet the agreements entered into by that subsidiary with the main tobacco producers for the distribution of their products in France (see Note 39). The aforementioned distribution agreements are depreciated on a straight-line basis over 15 years.

Computer software

Computer software is recognised at acquisition cost, including the implementation costs billed by third parties, and is amortised on a straight-line basis over a period of three to five years. Computer software maintenance costs are expensed currently.

Research and development expenditure

Research and development expenditure is only capitalised when it is specifically itemised by project, the related costs can be clearly identified and there are sound reasons to foresee the technical success and economic and commercial profitability of the related project. Assets thus generated are depreciated on a straight-line basis over their years of useful life (over a maximum period of five years).

4.5 Impairment losses on property, plant and equipment and intangible assets

The Group assesses each year the possible existence of permanent losses in value requiring it to reduce the carrying amounts of its property, plant and equipment and intangible assets, if their recoverable amounts are below their carrying amounts.

The recoverable amount is determined using the same methods as those employed in testing for goodwill impairment. (see Note 4.3)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the related write-down is recognised through profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the new recoverable amount, which may not exceed the carrying amount that would have been determined had no impairment loss been recognised.

4.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group, which usually has the option to purchase the assets at the end of the lease under the terms and conditions agreed on execution thereof. All other leases are classified as operating leases.

4.6.1 Finance leases

In cases where the Company acts as lessor, the Group recognises an asset and the corresponding liability in the balance sheet, at the inception of the finance lease, at the present value of the future minimum lease payments designated as rent in the agreement. To calculate the present value of the lease payments the interest rate stipulated in the finance lease is used.

The cost of assets acquired under finance leases is presented in the consolidated balance sheet and is depreciated on the basis of the nature of the leased assets under the same methods as those applied to similar items.

Finance charges are recognised over the lease term on a time proportion basis.

4.6.2 Operating leases

In operating leases, the ownership of the leased asset and substantially all the risks and rewards relating to the leased asset remain with the lessor.

When the Group acts as the lessor, it recognises the operating lease income on a straight-line basis. The amount to be recognised on a straight-line basis is deemed to be the total minimum rental income forecast over the term of the contract, in accordance with the agreed terms and conditions. These assets are depreciated using a policy consistent with the lessor's normal depreciation policy for similar items for own use.

When the Group acts as the lessee, lease costs are recognised in the income statement on a straight-line basis, in accordance with the policies described above.

4.7 Non-current assets held for sale

Non-current assets are classified as held for sale if it is considered that their carrying amount will be recovered through a sale transaction. Assets are classified under this heading only when the sale is highly probable and the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The depreciation of non-current assets held for sale is discontinued when they are classified as such. At the date of each consolidated balance sheet the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell.

4.8 Financial instruments

4.8.1 Financial assets

Financial assets are recognised in the consolidated balance sheet on the date of acquisition at fair value and are classified as:

Trade and other receivables

Trade and other receivables are measured at amortised cost less any recognised impairment losses, which are estimated based on the solvency of the debtor and the age of the receivables.

Other current and non-current financial assets

"Other Current and Non-Current Financial Assets" include the following investments:

1. Current and non-current loans granted

2. Guarantees

3. Deposits and other financial assets

The loans granted are measured at their amortised cost, which is understood to be the initial value thereof increased by accrued interest and repayment premiums based on the effective interest rate and decreased by the principal and interest repayments, while also considering possible reductions due to impairment or uncollectibility.

The changes in the amortised cost of the assets included under "Other Current and Non-Current Financial Assets" arising from accrued interest or premiums or from the recognition of impairment are recognised in the income statement.

Guarantees are measured at the amount paid which does not differ substantially from the fair value thereof.

Cash and cash equivalents

Cash consists of cash and demand deposits at banks. Cash equivalents are short-term investments with a maturity of three months that are not subject to a significant risk of changes in value.

The Group derecognises a financial asset when it matures and collection is made or when the rights to the future cash flows have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

4.8.2 Financial liabilities

Bank borrowings

Bank loans are recognised at the amount received, net of arrangement costs and commissions. These loan arrangement costs and finance charges are recognised in the income statement using the accrual method and on a time proportion basis and are added to the carrying amount of the liability, to the extent that they are not settled, in the period in which they arise.

Trade payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost.

The Group derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.9 Inventories

In general, the Group companies measure inventories at the lower of the price of the most recent invoice, which does not differ significantly from applying the FIFO formula (first-in, first-out), including in the case of tobacco products, in accordance with the legislation applicable in each country, the excise duties chargeable as soon as they are accrued, and net realisable value.

The Group recognises period provisions for the decline in value of inventories in order to adjust the value of those whose cost exceeds net realisable value. These valuation adjustments are recognised as an expense in the consolidated income statement.

4.10 Current/Non-current classification

In the consolidated balance sheet assets and liabilities due to be realised or settled or maturing within 12 months are classified as current items and those due to be realised or settled or maturing within more than 12 months as non-current items.

4.11 Termination benefits

Under current labour legislation and certain employment contracts, the Group companies are required to pay termination benefits to employees terminated under certain conditions.

The accompanying consolidated balance sheet at 30 September 2013 includes the provisions that the Parent's directors consider necessary to cover the restructuring plans in progress at year-end (see Note 25).

4.12 Pension and other obligations to employees

The Parent Company and other subsidiaries are obliged to supplement the social security retirement, disability or death benefits to employees who have fulfilled certain conditions.

In general, the obligations relating to the current and former employees of these groups are defined contribution obligations and are externalised. The annual contributions made by the Group to meet these obligations are recognised under "Staff Costs" in the consolidated income statements and amounted to EUR 3,075 thousand and EUR 2,881 thousand in 2013 and 2012 (see Note 31.b).

Under the collective agreements currently in force, the Parent is obliged to make a lump-sum payment of a specific amount to each employee on completion of 24 years of service, subject to compliance with certain conditions. Also, the Parent is obliged to make fixed monthly payments to a certain group of current employees and employees who retired prior to 1 January 2009 as compensation for the "free tobacco" benefit. To cover these obligations, provisions were recognised, the amount of which is calculated each year based on the corresponding actuarial studies performed by independent experts using the projected unit credit method and PERM/F 2000P mortality tables, an inflation rate of 1.5% and an annual discount rate of 3.45% as the main assumptions (see Note 25).

On 25 June 2008, the Group's Board of Directors approved the "2008 Medium-Term Incentives Plan" under which certain employees are entitled to receive, at the end of the third year from the inception of each block into which the plan is divided, an amount calculated on the basis of the amount deposited by each employee in an external financial entity at the inception of each block and the growth in each three-year period of certain assets related to operations.

In 2013 and 2012 the first two phases of this incentive plan were completed after the Company made payments of EUR 2,132 thousand and EUR 1,679 thousand, respectively, to its employees.

On 31 January 2012, the Company's Board of Directors approved the "2011 medium-term incentive plan", the conditions of which are similar to those of the previous incentive plan, although employees are not required to make the aforementioned deposit at an external entity.

The Group distributes the total amount of the estimated incentive for each block on a straight-line basis over three years and charges it to income. "Staff Costs" in the accompanying consolidated income statement for 2013 includes EUR 2,188 thousand in this connection (2012: EUR 1,966 thousand).

4.13 Provisions

The Group recognises provisions for the estimated amounts required to cover the liability arising from litigation in progress, indemnity payments or obligations and collateral and other guarantees provided which are highly likely to involve a payment obligation (legal or constructive), provided that the amount can be estimated reliably.

Provisions are quantified on the basis of the best information available on the situation and evolution of the events giving rise to them and are fully or partially reversed when such obligations cease to exist or are reduced, respectively.

Also, the adjustments arising from discounting these provisions are recognised as a finance cost on an accrual basis.

4.14 Currencies other than the euro

The consolidated financial statements of Logista Group are presented in euros.

Transactions in currencies other than the euro are recognised at their equivalent euro value by applying the exchange rates prevailing at the transaction date. Any gains or losses resulting from the exchange differences arising on the settlement of balances deriving from transactions in currencies other than the euro are recognised in the consolidated income statement as they arise.

Balances receivable and payable in currencies other than the euro at year-end are measured in euros at the exchange rates prevailing on that date. Any gains or losses arising on such measurement are recognised in the consolidated income statement for the year.

4.15 Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Specifically, revenue represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT, excise duty on tobacco products and other sales taxes.

As a result of the regulations of the main countries in which the Group operates, the Group makes payments to the relevant tax authorities in respect of excise duties on the tobacco products it sells, which are also charged to customers. The Group does not recognise as income or expenses the amounts relating to the aforementioned excise duties, which amounted to approximately EUR 28.651.658 thousand in 2013 and EUR 18.747.575 thousand in 2012.

In the particular case of books and published materials, the customers are entitled to return the products they fail to sell and in turn, the Group may exercise this right with respect to its suppliers. At each reporting date, a provision is recognised based on the historical experience of the sales returns for the purpose of adjusting the margins obtained during the course of business (see Note 25).

In purchase and sale transactions on which the Group receives commission, regardless of the legal form of such transactions, only commission income is recognised. Distribution and sales commissions are recognised in revenue. The Group recognises income and expenses on transactions involving products held on a commission basis (mainly stamps, certain tobacco and publishing business products) at the date of the sale.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment is established. In any case, interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement.

4.16 Income tax

The current income tax expense is calculated on the basis of the accounting profit before tax, increased or reduced, as appropriate, by the permanent differences from taxable profit, net of tax relief and tax credits. The rates used to calculate the income tax expense are those in force at the balance sheet date.

Deferred tax assets and liabilities are recognised using the balance sheet method, recognising the differences between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax assets and liabilities are calculated at the tax rates expected at the date on which the asset is realised or the liability is settled. Deferred tax assets and liabilities are recognised in full with a charge to the consolidated income statement, except when they relate to line items taken directly to equity accounts, in which case the deferred tax assets and liabilities are also recognised with a charge or credit to the related equity accounts.

Deferred tax assets and tax loss carryforwards are recognised when it is considered probable that the Group will be able to utilise them in the future, regardless of when they are recovered. Deferred tax assets and liabilities are not adjusted and are classified as non-current assets or liabilities in the consolidated balance sheet.

The Group recognises the deferred tax arising from the deductibility of the amortisation, for tax purposes, of certain items of goodwill generated on the acquisition of companies (see Note 26).

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

"Income Tax" represents the sum of the current tax expense and the result of recognising deferred tax assets and liabilities (see Note 26).

The Parent files consolidated income tax returns and consolidated VAT returns as part of the consolidated tax group the Parent of which is Imperial Tobacco Spain.

4.17 Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows, prepared in accordance with the indirect method, with the meanings specified:

1. Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
2. Operating activities: the principal revenue-producing activities of the consolidated Group companies and other activities that are not investing or financing activities.
3. Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
4. Financing activities: activities that result in changes in equity and borrowings.

4.18 Discontinued operations

A discontinued operation is a Group component representing a line of business or significant area which has or will be disposed of by any means other than through ordinary operations. The net assets arising from discontinued operations which have not yet been realised are recognised under "Non-Current Assets Held for Sale".

For this type of operations, the Group includes the profit after tax from discontinued operations and the profit after tax recognised on the disposal of the items composing the discontinued operations under a single item, "Profit for the Year from Discontinued Operations Net of Tax" in the consolidated income statement. Similarly, "Discontinued Operations" includes, where applicable, the losses recognised as a result of reducing the carrying amount of the items relating to discontinued operations not yet realised at their fair value less estimated costs to sell.

Also, when operations are classified as discontinued, the Group presents under "Profit for the Year from Discontinued Operations Net of Tax" the amount for the preceding year relating to the operations classified as discontinued at the reporting date, also adapting the rest of headings in the consolidated income statement for the previous year (see Note 36).

5. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group (after tax and minority interests) by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares.

Earnings per share are calculated as follows:

	Thousands of Euros	
	2013	2012
Net profit for the year (thousands of euros)	87,605	82,186
Weighted average number of shares issued (thousands of shares)	44,250	44,250
Earnings per share (euros)	1.98	1.86

At 30 September 2013 and 2012, there were no dilutive effects on basic earnings per share.

6. Property, plant and equipment

6.1. Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2013 and 2012 were as follows:

2013

	Thousands of Euros						
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business Combination (Note 39)	Additions or Charge for the Year	Disposals or Reductions	Transfers (Notes 6.1 and 9)	Balance at 30/09/13
Cost:							
Land and buildings	167,580	66,999	21,365	141	(1,196)	(19,924)	234,965
Plant and machinery	114,768	36,435	-	561	(3,059)	10,071	158,776
Other fixtures, tools and furniture	112,206	15,619	-	6,434	(6,167)	4,510	132,602
Other items of property, plant and equipment	42,559	304	-	214	(3,367)	77	39,787
Property, plant and equipment in the course of construction	21,049	945	-	18,619	(15)	(16,573)	24,025
	458,162	120,302	21,365	25,969	(13,804)	(21,839)	590,155
Accumulated depreciation:							
Buildings	(61,098)	(47,833)	-	(5,869)	1,187	12,169	(101,444)
Plant and machinery	(79,140)	(32,153)	-	(9,928)	2,644	-	(118,577)
Other fixtures, tools and furniture	(80,622)	(13,135)	-	(9,953)	6,035	-	(97,675)
Other items of property, plant and equipment	(23,603)	(284)	-	(3,347)	2,795	-	(24,439)
	(244,463)	(93,405)	-	(29,097)	12,661	12,169	(342,135)
Impairment losses	(3,088)	-	-	(2,200)	-	-	(5,288)
Total	210,611	26,897	21,365	(5,328)	(1,143)	(9,670)	242,732

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 9)	Balance at 30/09/12
Cost:					
Land and buildings	166,606	-	-	974	167,580
Plant and machinery	112,585	1,171	(125)	1,137	114,768
Other fixtures, tools and furniture	108,408	1,729	(1,416)	3,485	112,206
Other items of property, plant and equipment	40,586	341	(468)	2,100	42,559
Property, plant and equipment in the course of construction	16,226	12,523	(11)	(7,689)	21,049
	444,411	15,764	(2,020)	7	458,162
Accumulated depreciation:					
Buildings	(57,803)	(3,285)	-	(10)	(61,098)
Plant and machinery	(71,490)	(8,996)	123	1,223	(79,140)
Other fixtures, tools and furniture	(71,361)	(9,020)	1,336	(1,577)	(80,622)
Other items of property, plant and equipment	(21,367)	(2,932)	343	353	(23,603)
	(222,021)	(24,233)	1,802	(11)	(244,463)
Impairment losses	(3,088)	-	-	-	(3,088)
Total	219,302	(8,469)	(218)	(4)	210,611

Additions

The additions to "Property, Plant and Equipment in the Course of Construction" relate mainly to investments in technological infrastructure renovation projects to increase the functionality of the operational platforms, and investments in expansion and improvement of the Group companies' warehouses, as part of the ordinary business.

Disposals

The disposals in 2013 and 2012 relate mainly to the retirement of items which have been substantially depreciated in full or are not used for the Group's business and to the sale of various items of property, plant and equipment of scant significance.

Transfers

The transfers in 2013 and 2012 relate mainly to reclassifications of items between different accounts within this caption, and from "Other Intangible Assets" to "Computer Software" and "Investment property" in order to correctly classify them according to their nature.

Impairment

In 2013 the Parent recognized an impairment loss of EUR 2,200 thousand on the portion attributable to it of the carrying amount of certain POS terminals owned by the unincorporated temporary joint venture (UTE) in which it has a 50% interest (see Note 10) which were not in operation at the end of the reporting period. This impairment has been charged to the caption "Net loss on disposal and impairment of non-current assets" in the accompanying consolidated income statement for 2013.

6.2 Investment property

The Group's investment property includes land and buildings located in Santa Perpetua de la Mogoda (EUR 1,783 thousand), Malaga (EUR 426 thousand), Barcelona (EUR 91 thousand), Madrid (EUR 293 thousand), Seville (EUR 817 thousand), La Coruña (EUR 34 thousand) and Oviedo (EUR 140 thousand), not used in commercial operations and from which gains are expected to be obtained from the sale thereof, although there are no plans to sell them in the short term, or which are currently subject to rental agreements. The aforementioned amounts have been reduced by the accumulated depreciation related to each item.

Additionally, in 2013 the carrying amount of the building located in Sintra, Portugal, which the Parent leased out to a third party during the year, was reclassified from "Property, Plant and Equipment" in the accompanying consolidated balance sheet. The transferred carrying amount of this building is EUR 2,840 thousand. The net booked value of this building amounts to EUR 2,696 as of 30 September 2013.

Lastly, the Parent performed an asset exchange transaction in the year whereby it handed over to the Municipal Council of Cádiz the land and building corresponding to its Puntales warehouse, the carrying amount of which at the transaction date was EUR 6,661 thousand. The land received in exchange was recognized at the carrying amount of the asset given up, since a reliable measure of the fair value of the land received was not available at the transaction date, and it was classified under "Investment Property" in the accompanying consolidated balance sheet as the Parent expects to obtain a return from the sale of this land, although it does not intend to dispose of it in the short term.

The 2013 investment property depreciation charge amounted to EUR 234 thousand (2012: EUR 75 thousand).

6.3 Other disclosures

Fully depreciated items of property, plant and equipment in use at 30 September 2013 amounted to EUR 194,599 thousand (EUR 139,926 thousand at 30 September 2012).

At the end of 2013 the Group had yet to formalise the acquisition of a land lot in Alcalá de Guadaira (Seville), for which it paid an advance of EUR 4,671 thousand in 2005, which is recognised under "Property, Plant and Equipment in the Course of Construction". This formalisation is dependent upon the municipal authority executing the corresponding land development projects. The Parent's directors have commenced actions aimed at ensuring that the municipal authority meets the obligations assumed.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

At 30 September 2013 and 2012, the items of property, plant and equipment located abroad, mainly in Portugal, France, Italy and Poland, amounted to EUR 88,945 thousand and EUR 37,235 thousand, net of the related accumulated depreciation, respectively.

7. Non-current assets held for sale

The changes in "Non-Current Assets Held for Sale" in the consolidated balance sheets in 2013 and 2012 were as follows:

	Thousands of Euros
Balance at 30/09/11	2,537
Impairment	(61)
Losses from discontinued operations (Note 36)	(600)
Balance at 30/09/12	1,876
Additions to the scope of consolidation (Note 39)	12,291
Disposals	(12,291)
Losses from discontinued operations (Note 36)	(600)
Balance at 30/09/13	1,276

At 30 September 2013, "Non-Current Assets Held for Sale" includes various buildings owned by the Group that are currently in the sale process. These sales are expected to materialise at short term. The Parent's Directors consider that the fair value of these assets is higher than their net booked value as of 30 September 2013.

The 49% ownership interest in Publidispatch, S.A.S. amounting to EUR 392 thousand is also included. There is an agreement whereby the Group is obliged to sell its ownership interest at the same time as the majority shareholder of this company.

8. Goodwill

The changes in "Goodwill" in the accompanying consolidated balance sheets in 2013 and 2012 were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business combination (Note 39)	Impairment	Balance at 30/09/13
Logista Italia, S.p.A.	660,620	-	-	-	660,620
Logista France, S.A.S.	-	-	236,184	-	236,184
Société Allumetière Française, S.A.S.	-	761	-	-	761
Dronas 2002, S.L.U.	25,723	-	-	(8,362)	17,361
Terzia, S.p.A.	2,302	-	-	-	2,302
T2 Gran Canaria, S.A.U.	908	-	-	-	908
T2 Opellog, S.A.U.	486	-	-	-	486
Logista-Dis, S.A.U.	321	-	-	-	321
Librodis Promotora y Comercializadora del Libro, S.A.U.	178	-	-	(178)	-
Transportes Basegar, S.L.	85	-	-	-	85
Other	298	-	-	(136)	162
Total	690,921	761	236,184	(8,676)	919,190

2012

	Thousands of Euros			
	Balance at 30/09/11	Disposals	Impairment	Balance at 30/09/12
Logista Italia, S.p.A.	660,620	-	-	660,620
Dronas 2002, S.L.U.	36,545	-	(10,822)	25,723
Terzia, S.p.A.	2,302	-	-	2,302
T2 Gran Canaria, S.A.U.	908	-	-	908
T2 Opellog, S.A.U.	486	-	-	486
Logista-Dis, S.A.U.	321	-	-	321
Librodis Promotora y Comercializadora del Libro, S.A.U.	178	-	-	178
Transportes Basegar, S.L.	85	-	-	85
Basegar Logística, S.A.	41	(41)	-	-
Other	326	(28)	-	298
Total	701,812	(69)	(10,822)	690,921

In 2013 the Group has recorded impairment on the Goodwill generated by its subsidiaries Dronas 2002, S.L.U. and Librodis Promotora y Comercializadora del Libro, S.A.U. for a total amount of EUR 8,362 and 178 thousand, respectively, based on the impairment test performed by the Group. This impairment has been classified in the caption "Net loss on disposal and impairment of non-current assets".

In 2012 the Group recorded impairment on the Goodwill generated by its subsidiary Dronas 2002, S.L.U. for a total amount of EUR 10,822 thousand, based on the impairment test performed by the Group. This impairment was classified in the caption "Net loss on disposal and impairment of non-current assets" of the year 2012.

Based on the available estimates and projections, the Parent's directors consider that the projections of income attributable to the Group originating from the various companies support the recoverability of the carrying amount of the goodwill recognised. In addition, at the date of preparation of these consolidated financial statements, the directors consider that no fundamental events exist which would require the estimates made at 2013 year-end to be changed for impairment testing purposes.

9. Other intangible assets

The changes in "Other Intangible Assets" in 2013 and 2012 were as follows:

2013

	Thousands of Euros						
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business combination (Note 39)	Additions or charge for the year	Disposals or reductions	Transfer (Note 6)	Balance at 30/09/13
Cost:							
With indefinite useful life- Trademarks	108	-	-	-	-	-	108
With finite useful life- I+D expenses	-	2,223	-	-	-	-	2,223
Computer software	117,884	18,211	-	1,644	(1,127)	6,383	142,995
Concessions, rights and licences	928	1,225	776,400	-	(9)	625	779,169
Advances and intangible assets in progress	6,044	100	-	10,666	(45)	(6,839)	9,926
	124,964	21,759	776,400	12,310	(1,181)	169	934,421
Accumulated amortisation-							
I+D expenses	-	(954)	-	(556)	-	-	(1,510)
Computer software	(94,801)	(17,395)	-	(10,299)	228	-	(122,267)
Concessions, rights and licences	(677)	(1,065)	-	(51,983)	3	-	(53,722)
	(95,478)	(19,414)	-	(62,838)	231	-	(177,499)
Impairment losses	(644)	-	-	-	-	-	(644)
Total	28,842	2,345	776,400	(50,528)	(950)	169	756,278

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 6)	Balance at 30/09/12
Cost:					
With indefinite useful life- Trademarks	160	-	-	(52)	108
With finite useful life- Computer software	112,008	1,548	(715)	5,043	117,884
Concessions, rights and licences	679	-	-	249	928
Advances and intangible assets in progress	4,148	6,598	-	(4,702)	6,044
	116,995	8,146	(715)	538	124,964
Accumulated amortisation:					
Computer software	(86,175)	(8,782)	156	-	(94,801)
Concessions, rights and licences	(205)	(472)	-	-	(677)
	(86,380)	(9,254)	156	-	(95,478)
Impairment losses	(1,144)	-	500	-	(644)
Total	29,471	(1,108)	(59)	538	28,842

The additions to "Advances and intangible assets in progress" in 2013 relate mainly to functional development projects performed by the Parent for the Group's existing applications.

The transfers to "Computer Software" in 2013 relate to the reclassification of various items that have been put into operation from the account "Advances and intangible assets in progress" attending to their nature.

At 30 September 2013 and 2012, fully amortised intangible assets in use amounted to approximately EUR 101,147 and EUR 75,816 thousand, respectively.

10. Investments in associates accounted for using the equity method and interests in proportionately consolidated joint ventures

The detail of the changes in 2013 and 2012 in "Investments in Associates Accounted for Using the Equity Method" were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Share of Profit for the Year	Trespases to non-current provision (Note 25)	Exits of the scope of consolidation	Balance at 30/09/13
International News Portugal, Lda	511	-	-	(511)	-
Dima Distribución Integral, S.L.	-	(498)	498	-	-
Logesta Maroc, S.A.	18	-	-	-	18
Other	12	-	6	-	18
Total	541	(498)	504	(511)	36

2012

	Thousands of Euros			
	Balance at 30/09/11	Share of Profit for the Year	Trespasses to non- current provision (Note 26)	Balance at 30/09/12
International News Portugal, Lda	413	98	-	511
Dima Distribución Integral, S.L.	(298)	(512)	810	-
Other	48	(18)	-	30
Total	163	(432)	810	541

Logista Portugal Distribuição de Publicações, S.A., a company disposed of in 2013, held a 20% ownership interest in the share capital of International News Portugal, Lda. The loss on the disposal of Logista Portugal Distribuição de Publicações, S.A. was recognised under "Net loss on disposal and impairment of non-current assets" in the accompanying consolidated income statement for 2013 (see Note 2.8.5).

A detail of the main investments in associates, including the name, registered office, principal line of business, the Group's ownership interest and the most significant financial information relating thereon is provided in Appendices I and II.

The most significant financial information relating to interests in joint ventures is as follows (considering a full interest):

2013

	Thousands of Euros					
	30 September 2013				2013	
	Current Assets	Non- Current Assets	Current Liabilities	Non- Current Liabilities	Income	Expenses
Logista Libros, S.L.	28,530	10,028	36,621	154	23,771	(25,097)
Avanza Libros, S.L.U.	848	12	879	-	369	(372)
UTE Logista – GTECH	4,249	21,110	123,131	817	20,061	(39,944)
Librodis, Promotora y Comercializadora del libro, S.A.U.	195	224	570	2	304	(149)

2012

	Thousands of Euros					
	30 September 2012				2012	
	Current Assets	Non-Current Assets	Current Liabilities	Non-Current Liabilities	Income	Expenses
Logista Libros, S.L.	40,523	10,664	48,077	-	25,587	(24,685)
Avanza Libros, S.L.U.	1,572	8	1,597	-	257	(598)
UTE Logista – GTECH	4,053	23,888	105,955	692	18,050	(43,301)
Librodis, Promotora y Comercializadora del libro, S.A.U.	57	1	364	2	674	(915)

On 26 October 2010, Compañía de Distribución Integral Logista, S.A.U. and Indra Sistemas, S.A. formed, with ownership interests of 97% and 3% respectively, the unincorporated temporary joint venture called “Compañía de Distribución Integral Logista, S.A.U. and Indra Sistemas, S.A., Unión Temporal de Empresas, Ley 18/1982 de 26 de mayo, número 1”, which is engaged in the provision of services for the Andalusian transport authority network. The assets and liabilities of this UTE, together with its results at the end of the reporting period were not significant at 30 September 2013.

11. Financial assets

11.1 Other non-current financial assets

The changes in “Other Non-Current Financial Assets” in 2013 and 2012 were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Additions	Disposals or reductions	Balance at 30/09/13
<i>Credits and other receivables</i>					
Long-term loans	5,401	330	-	(406)	5,325
Long-term deposits and guarantees	3,262	848	106	(640)	3,576
<i>Financial assets held for sale</i>					
Other investments	4,573	295	-	-	4,868
	13,236	1,473	106	(1,046)	13,769
Write-downs	(1,788)	-	-	29	(1,759)
Total	11,448	1,473	106	(1,017)	12,010

2012

	Thousands of Euros			
	Balance at 30/09/11	Additions	Disposals or Reductions	Balance at 30/09/12
<i>Credits and other receivables</i>				
Long-term loans	5,478	-	(77)	5,401
Long-term deposits and guarantees	2,687	871	(296)	3,262
<i>Financial assets held for sale</i>				
Other investments	4,573	-	-	4,573
	12,738	871	(373)	13,236
Write-downs	(1,640)	(148)	-	(1,788)
Total	11,098	723	(373)	11,448

"Long-Term Loans" includes mainly a EUR 4,900 thousand loan granted to Publidispatch, S.A.S. The aforementioned loan matures on 1 October 2016 and earns interest tied to Euribor payable annually.

At 30 September 2013 and 2012, Logista Italia, S.p.A. held a 13.33% ownership interest in the share capital of Banca ITB, S.p.A., amounting to EUR 4,198 thousand, recognised under "Other Non-Current Financial Assets – Financial assets held for sale".

11.2 Other current financial assets

The detail of "Other Current Financial Assets" in the accompanying consolidated balance sheets at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Loans to related companies (Note 34)	1,572,207	1,096,084
Short-term deposits and guarantees	524	25,911
Other loans	29,056	512
Total	1,601,787	1,122,507

At 30 September 2013, the shareholders of "Compañía de Distribución Integral Logista, S.A.U. and GTECH Global Lottery, S.L.U., unincorporated temporary joint venture", have granted a loan of EUR 115,195 thousand to the former through a monetary contribution given in equal portions. The Parent included EUR 28,799 thousand (2012: EUR 22,394 thousand) in this connection under "Other Current Financial Assets – Other loans" and "Other Current Financial Liabilities" in the accompanying consolidated balance sheet at 30 September 2013 (see Note 27), related to the accounts receivable and payable with the aforementioned UTE that correspond to the other participant.

12. Inventories

The detail of the Group's inventories at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Tobacco	1,140,772	639,928
Published materials	10,027	24,034
Other merchandise	65,387	22,469
Write-downs	(8,119)	(8,383)
Total	1,208,067	678,048

The balance of tobacco inventories includes the excise duty chargeable to the tobacco items for the tobacco stock in the Group's warehouses at 30 September 2013, for a total amount of EUR 449,531 thousand (2012: EUR 147,203 thousand).

The write-down in year 2013 and 2012 relates mainly to tobacco inventories that were defective or that cannot be sold at year end. The changes in the write-downs relating to "Inventories" in the accompanying consolidated balance sheet were as follows:

	Thousands of Euros
Inventory write-down at 30 September 2011	3,886
Charge for the year	4,497
Inventory write-down at 30 September 2012	8,383
Additions to the scope of consolidation (Note 39)	6,005
Charge for the year	2,126
Utilization	(8,395)
Inventory write-down at 30 September 2013	8,119

13. Trade and other receivables

The detail of "Trade and Other Receivables" in the accompanying consolidated balance sheets at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Trade receivables for sales and services	1,572,992	833,642
Related companies (Note 34)	10,248	11,866
Sundry accounts receivable	25,868	34,557
Employee receivables	1,115	288
Less- Allowances for doubtful debts	(50,133)	(38,683)
	1,560,090	841,670

The changes in the "Allowances for Doubtful Debts" in 2013 and 2012 were as follows:

	Thousands of Euros
Allowance for doubtful debts at 30 September 2011	31,651
Applications	(101)
Additions	7,133
Allowance for doubtful debts at 30 September 2012	38,683
Additions to the scope of consolidation (Note 39)	7,688
Applications	(8,572)
Additions	12,334
Allowance for doubtful debts at 30 September 2013	50,133

The additions to doubtful debts are recognised under "Other Operating Expenses" in the accompanying consolidated income statement for 2013.

At 30 September 2013, the total amounts of balances provided are older than 90 days.

Trade receivables for sales and services

"Trade Receivables for Sales and Services" includes mainly the balances receivable from the sales of tobacco products, postage and other stamps relating basically to the final delivery of each year, which may be settled during the first days of the following year, including the excise duties and VAT associated with tobacco product sales which do not form part of revenue (see Note 4.15).

The average credit period taken on sales of goods and services ranges from 10 to 30 days. No interest is charged on the receivables for the first 30 days after the expiry date of the invoice. Thereafter, interest is generally charged at between 6.5% and 9% on the outstanding balance.

None of the clients supposes more than 5% of the trade receivable balances, so there is no clients' concentration risk.

The detail of the past-due receivables for which no allowance had been recognised at 30 September 2013 and 2012 is as follows:

Tranche	Thousands of Euros	
	2013	2012
0-30 days	29,084	21,254
30-90 days	11,015	9,418
90-180 days	6,664	3,622
180-360 days	2,881	2,987
More than 360 days	2,874	4,793

The Group recognizes an allowance for doubtful debts based on seniority of the debt, unless there are additional guarantees of payment

14. Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated balance sheets at 30 September 2013 and 2012 includes mainly the Group's cash deposited in current accounts at banks.

The average interest rate obtained by the Group on its cash and cash equivalent balances was 0.98% in 2013 (1.62% in 2012).

15. Other current assets

"Other Current Assets" in the accompanying consolidated balance sheets at 30 September 2013 and 2012 relates mainly to expenses paid which accrued after year-end.

16. Share capital and treasury shares

At the end of 2013 and 2012, the Parent's share capital amounted to EUR 26,550 thousand and was represented by 44,250,000 fully subscribed and paid shares of EUR 0.6 par value each, all of the same class.

At 30 September 2013 and 2012, the Parent's Sole-Shareholder was Altadis, S.A.U.

Capital Management-

The main objectives of the Group's capital management are to ensure financial stability in the short and long term and the adequate funding of investments, keeping debt levels, all aimed at that the Group maintains its financial strength and soundness of their ratios so that it supports their business and maximizes the value for its shareholders.

At September 30, 2013 and 2012 the leverage ratio is as follows:

	Thousand euros	
	2013	2012
Bank borrowings	3,729	5,326
Other current financial liabilities	115,943	32,492
Gross debt	119,672	37,818
Noncurrent financial assets held to maturity	(8,434)	(8,186)
Current financial assets held to maturity	(1,601,263)	(1,121,938)
Cash and cash equivalent	(149,907)	(46,266)
Cash assets	(1,759,604)	(1,176,390)
Total net debt	(1,639,932)	(1,138,572)
Total equity	460,824	447,870
Financial leverage	(3.56)	(2.54)

17. Reserves of the Parent

Share premium

The Spanish Capital Companies Law expressly permits the use of the share premium account balance to increase the capital of the entities at which it is recognised and does not establish any specific restrictions as to its use.

Legal reserve

Under the Spanish Capital Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 30 September 2013, the Parent's legal reserve has reached the stipulated level, for a total amount of EUR 5,902 thousand.

Dividends

On 26 March 2013, the Parent's Sole-Shareholder approved the distribution of a dividend of EUR 1.68 per share out of profit for 2012. The total dividend distributed was EUR 74,340 thousand.

18. Reserves at fully or proportionately consolidated companies

The detail, by company, of the balance of this heading in the consolidated balance sheets at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Logista Italia, S.p.A.	115,003	103,234
Dronas 2002, S.L.U.	16,893	21,783
Logista Portugal, Distribuição de Publicações, S.A.	-	(2,099)
Publicaciones y Libros, S.A.	2,034	3,018
Distribérica, S.A.U.	2,825	2,812
Logista-Dis, S.A.U.	3,017	3,282
Midsid - Sociedade Portuguesa de Distribuição, S.A.	(222)	372
Logista Libros, S.L.	70	(380)
Compañía de Distribución Integral de Publicaciones Logista, S.L.U.	(1,515)	(2,362)
Logista Transportes, Transitários e Pharma, Lda.	(5,363)	(2,734)
S.A. Distribuidora de Ediciones	(8,508)	(9,184)
Compañía de Distribución Integral Logista Polska, Sp z o.o.	(8,424)	(7,440)
Other reserves and consolidation adjustments	24,417	21,812
Total	140,227	132,114

The reserves at consolidated companies include the retained earnings not appropriated at the beginning of the period relating to the consolidated companies and taking into account the consolidation adjustments.

Under the heading of "other reserves and consolidation adjustments" are included primarily the effect of the first application of IFRS, as well as the reserves recognised by the other Group companies, and other consolidation adjustments.

19. Reserves at companies accounted for using the equity method

The detail, by company, of the balance of this heading in the consolidated balance sheets at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
International News Portugal, LDA.	-	318
Dima Distribución Integral, S.L.	(1,815)	(979)
Logesta Maroc, S.A.	8	25
Other	462	38
Total	(1,345)	(598)

20. Valuation adjustments

"Valuation Adjustments" includes mainly the reserve arising from the net revaluation of land owned by the Parent (see Note 4.1). There were no changes therein in 2013 and 2012.

21. Minority interests

The detail, by company, of "Reserves of Fully and Proportionately Consolidated Companies" in the consolidated balance sheets at 30 September 2013 and 2012 is as follows:

Entity	Thousands of Euros			
	2013		2012	
	Minority Interests	Profit or Loss Attributable to Minority Interests	Minority Interests	Profit or Loss Attributable to Minority Interests
Distribuidora Valenciana de Ediciones, S.A.	345	(78)	423	(412)
Terzia, S.p.A.	812	(111)	923	(169)
Comercial de Prensa Siglo XXI, S.L.	31	7	25	1
Transportes Basegar, S.L.	359	60	298	41
Distribuidora de Publicaciones del Sur, S.L.	101	101	181	(181)
Other entities	66	1	(38)	8
Total	1,714	(20)	1,812	(710)

The changes in this heading in 2013 and 2012 were as follows:

	Thousands of Euros	
	2013	2012
Beginning balance	1,812	8,641
Additions to the scope of consolidation (Note 39)	(61)	-
Exits of the scope of consolidation (Note 2.8.5)	(35)	(5,872)
Change due to profit for the year	(20)	(710)
Dividends paid to minority interests and other	18	(247)
Ending balance	1,714	1,812

22. Bank borrowings

The detail of the bank borrowings at 30 September 2013 and 2012 is as follows:

	Thousands of Euros					
	2013			2012		
	Non-Current	Current	Total	Non-Current	Current	Total
Bank loans	-	3,729	3,729	-	5,326	5,326
Total		3,729	3,729	-	5,326	5,326

At 30 September 2013 the Group has no credit facilities with banks.

The interest rates on bank borrowings are generally tied to Euribor and denominated in euros. The average interest rates on these borrowings in 2013 and 2012 were 2.22 % and 3.30%, respectively.

23. Other non-current liabilities

The detail of "Other Non-Current Liabilities" in the accompanying consolidated balance sheets at 30 September 2013 and 30 September 2012 is as follows:

	Thousands of Euros	
	2013	2012
Guarantees and deposits received	4,943	4,919
Other liabilities	526	602
Total other non-current liabilities	5,469	5,521

24. Risk exposure

The management of the risks to which the Logista Group is exposed in the course of its business constitutes one of the basic pillars of its activities aimed at preserving the value of the Group's assets at all the business units and in all the countries in which it operates (mainly Spain, Italy, France, Portugal and Poland) and, as a result, the value of its shareholder's investments. The risk management system is structured and defined to achieve the strategic and operating objectives.

The Group's financial risk management is centralised in the Corporate Finance Division. This Division has the required mechanisms in place to control, based on the Group's financial position and structure and on the economic variables of the environment, the exposure to interest and exchange rate fluctuations and to the credit and liquidity risks, establishing, when necessary, the related credit limits and setting the policy for the doubtful debts allowance.

The main risks and uncertainties faced by the Group derive from the possible regulatory changes in the industries in which it operates.

Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables, the latter two concentrating the risks of doubtful debts and past-due amounts. In general the Group has its cash and cash equivalents deposited at financial institutions with a high level of solvency. The Group controls the default and delinquency risks by setting credit limits and establishing demanding conditions in relation to collection periods.

The commercial risk is spread out over a large number of customers that have shorter collection periods and extremely low historical default rates and, therefore, the Group's exposure to third-party credit risk is scanty material.

At 30 September 2013 the Group considers that the level of credit risk exposure of its financial assets is not significant.

Interest rate risk

In relation to its cash and cash equivalents and bank borrowings, the Group is exposed to interest rate fluctuations which might affect its profit and cash flows. However, due to the Group's low borrowing level, management considers that the effect would not be material under any circumstances.

In accordance with the disclosure requirements of IFRS 7, the Group performed a sensitivity analysis in relation to the possible interest rate fluctuations which might occur in the markets in which it operates. Based on these requirements, the Group considers that each interest rate drop of 10 basis points would give rise to a decrease in the Group's finance income of EUR 1 million.

Foreign currency risk

The level of exposure of equity and the income statement to the effects of future changes in the foreign currency exchange rates in force is not significant because the volume of the Group's transactions in currencies other than the euro is not material (see Note 33).

The Group does not have significant investments in foreign entities which operate in currencies other than the euro and it does not carry out significant transactions in countries whose currency is not the euro.

In addition, all the companies composing the Logista Group prepare their financial statements in euros, except for two subsidiaries in Poland and another in Morocco, the activities of which are of scant significance in the Group's business taken as a whole.

Liquidity risk

The Group has to meet payments arising from its activities, including significant amounts relating to excise duties and VAT.

Also, as a result of the difference between the average collection and payment periods, at 30 September 2013, the Group had a working capital deficiency amounting to EUR 999,327 thousand (30 September 2012: EUR 292,179 thousand).

In any event, the Group, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its consolidated balance sheet, together with the cash-pooling facilities with companies in the Group to which it belongs.

25. Provisions

The detail of the balance of short- and long-term provisions in the accompanying consolidated balance sheets at 30 September 2013 and 2012 and of the main changes therein in the periods is as follows:

2013

	Thousands of Euros					
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Additions	Provisions Used/ Reversed	Transfers (Note 10)	Balance at 30/09/13
Customs and excise duty assessments	107,283	-	7,269	(4,797)	-	109,755
Obligations to employees	7,170	3,992	2,183	-	864	14,209
Provision for restructuring costs	9,433	-	15,799	(10,332)	(1,975)	12,925
Provision for contingencies and charges	14,981	752	2,874	(2,693)	(780)	15,134
Other	7,962	3,119	425	(1,989)	(360)	9,157
Non-current provisions	146,829	7,863	28,550	(19,811)	(2,251)	161,180
Provision for restructuring costs	2,842	-	3,699	(3,239)	1,975	5,277
Customer refunds	4,015	-	180	(8)	-	4,187
Other	1,002	8,243	265	(9,600)	780	690
Current provisions	7,859	8,243	4,144	(12,847)	2,755	10,154

2012

	Thousands of Euros				
	Balance at 30/09/11	Additions	Provisions Used/ Reversed	Transfers	Balance at 30/09/12
Customs and excise duty assessments	108,037	4,543	(5,297)	-	107,283
Obligations to employees	6,102	2,039	(971)	-	7,170
Provision for restructuring costs	3,907	5,733	(207)	-	9,433
Provision for contingencies and charges	20,231	587	(5,947)	110	14,981
Other	2,482	5,530	(50)	-	7,962
Non-current provisions	140,759	18,432	(12,472)	110	146,829
Provision for restructuring costs	12,491	5,490	(15,659)	520	2,842
Customer refunds	4,826	200	(1,011)	-	4,015
Other	67	1,170	(415)	180	1,002
Current provisions	17,384	6,860	(17,085)	700	7,859

Provisions for tobacco excise duties and customs duty assessments

The Parent has recognised provisions for tax assessments resulting from the reviews conducted by the Spanish customs inspection authorities of the tobacco excise duty settlements for 2004 to 2010. The Parent signed these assessments on a contested basis and filed an appeal against them. In the event that the outcome of these appeals is not favourable, the Parent recognised provisions to cover payment of deficiency and late-payment interest amounting to EUR 104,882 thousand. The total amount of the provision includes the late-payment interest since the date these assessments were issued, for an amount of EUR 19,871 thousand, of which EUR 6,981 thousand were recognised in the respective accompanying income statement for 2013 (2012: EUR 4,055 thousand).

In addition, the Parent was issued assessments by the Customs Inspection Authorities for adjustments in the figure for unpaid amounts relating to tariffs and VAT on imports for the years 2000 and 2002 and for the first half of 2003. The total amount of the deficiency, including interest but not penalties in these assessments is EUR 4,234 thousand. The Company has filed two separate appeals against portions of this amount at the Central Economic-Administrative Tribunal, National Court and Supreme Court and the Catalonia High Court, respectively. The amount was provisioned in full at 30 September 2013. Since the date these assessments were issued, the Parent has recognised EUR 639 thousand in relation to the necessary late-payment interest, of which EUR 488 thousand were recognised in the accompanying income statement for 2013 and 2012.

In 2013 the Supreme Court dismissed several appeals lodged by the Parent in relation to certain of the aforementioned customs duty assessments. Consequently, the Company paid the amount of these assessments, which totalled EUR 4,797 thousand including late-payment interest.

Provision for obligations to employees

This account includes the present value of the Parent's obligations in terms of long-service bonuses and the "free tobacco" benefit. In 2013 a provision of EUR 216 thousand has been recognized in this connection, which has been charged to the caption "Staff costs" of the accompanying income statement. In 2012 a provision of EUR 1,816 thousand was recognised in this connection, of which EUR 1,600 thousand were recognised with a charge to "Reserves of the Parent" in the accompanying balance sheet since they relate to changes in the actuarial assumptions used to determine the present value of the total obligation assumed by the Company. The balance at 30 September 2013 in this connection amounts to EUR 8,003 thousand.

In addition, at the time of its inclusion in the scope of consolidation, the subsidiary Logista France, S.A.S. contributed EUR 3,992 thousand in provisions for retirement obligations. In 2013 an additional amount of EUR

732 thousand was recognised in this connection, bringing the balance of this provision to EUR 4,724 thousand at year-end.

Lastly, the balance in this connection in the remaining Group companies amounted to EUR 1,481 thousand at 30 September 2013.

Provision for restructuring costs

Logista Italia, S.p.A. is restructuring its logistics warehousing network which gives rise to termination benefits as the main cost. In 2013, the Group has recognized a further EUR 1,950 thousand, of which EUR 570 thousand have been recorded under "Long-term Provisions" and EUR 1,380 thousand under "Short-term Provisions" of the accompanying consolidated balance sheet. In addition, long-term provisions of EUR 7,094 thousand (2012: EUR 5,807 thousand) were used, and EUR 1,975 thousand has been reclassified from "Long-term Provisions" to "Short-term Provisions". At year-end EUR 933 thousand of "Long-term Provisions" (2012: EUR 9,433 thousand) and EUR 3,683 thousand (2012: EUR 328 thousand) of "Short-term Provisions" had not yet been used.

In 2013 provisions of EUR 1,818 thousand were recognised for restructuring programmes that the Parent Company's directors intend to carry out (2012: EUR 5,490 thousand). Additionally, in 2013 the Parent externalised the payment of survivorship annuity benefits for a group of employees who have taken early retirement. A premium of EUR 1,544 thousand (2012: EUR 7,959 thousand) was paid in this connection, and this amount was debited to the related provision. Also, in 2013 the Company paid termination benefits of EUR 1,695 thousand from a provision recognised for this purpose.

In 2013 Logista France, S.A.S. initiated a restructuring plan at its subsidiary Strator, S.A.S., with the aim of improving its competitiveness. The main cost of this plan is the payment of termination benefits and its initial budget amounted to EUR 8,330 thousand, which were recognised as a provision in 2013 with a charge to "Staff Costs" in the accompanying consolidated income statement. In 2013 termination benefits amounting to EUR 3,238 thousand were paid, and this amount was debited to the provision.

In addition, in September 2013 Logista France, S.A.S. announced a new restructuring plan for its logistics network which involves the closure of its warehouse in Nancy (France). The impact estimated by the directors of Logista France, S.A.S. is EUR 6,900 thousand, which were recognised as a provision with a charge to "Staff Costs" in the accompanying consolidated income statement.

Provision for contingencies and charges

At 30 September 2013 the balance of "Provision for Contingencies and Charges" from the detail above includes basically the provisions recognised by Logista Italia, S.p.A. for litigation in progress with members of its logistics warehousing network, which amounts to EUR 5,436 thousand at year-end (2012: EUR 7,648 thousand). In 2013 a provision of EUR 1,643 thousand (2012: EUR 4,498 thousand) has been released due to a new estimation of the risk performed by the Group's administrators. On the other hand, Logista Italia, S.p.A. has started new litigations on this regards, and has recorded a provision in this connection of EUR 33 thousand in 2013.

The balance at 30 September 2013 of the "Provision for Contingencies and Charges" in the foregoing detail includes mainly provisions to cover the payment of excise duties relating to tobacco theft primarily in Italy amounting to EUR 2,617 thousand (2012: EUR 3,372 thousand). During 2013, the Company has made disbursements by EUR 200 thousand.

This balance also includes provisions to cover the risk of various lawsuits held by the Group with third parties.

Customer refunds

The customers of books and publications are entitled to the refund of those products which are finally not sold, and the Group may in turn exercise this entitlement to a refund vis-à-vis its suppliers. At each year-end, the Group recognises a provision based on past experience of the refunds on sales with a view to correcting the margins obtained in the course of the book and publications sales activity.

26. Tax matters

Consolidated Tax Group

Some of the Group companies file consolidated tax returns with Imperial Tobacco Spain (see Note 4.16). The companies included with Imperial Tobacco Spain in the Group's consolidated tax return, for Spanish corporation tax purposes, are as follows: Compañía de Distribución Integral Logista, S.A.U., Distribérica, S.A.U., Publicaciones y Libros, S.A.U., Distribuidora de las Rías, S.A., Logista-Dis, S.A.U., La Mancha 2000, S.A.U., Dronas, 2002, S.L.U., T-2 Gran Canaria, S.A.U., T-2 Opellog, S.A.U., Cyberpoint, S.L., Distribuidora del Noroeste, S.L., Logilenia Distribuidora Farmacéutica, S.L.U., Compañía de Distribución Integral de Publicaciones Logista, S.L.U., Distribuidora del Este, S.A.U., S.A. Distribuidora de Ediciones, Logesta Gestión de Transporte, S.A.U., Logesta Noroeste, S.A.U. and Distribución de Publicaciones Siglo XXI Guadalajara, S.L., as well as other Altadis Group companies.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

Years open for review by the tax authorities

At 30 September 2013, the Parent Company had the last five years open for review for income tax, since 2012 or customs duties, since 2011 for excise duties, and the remaining four years for the other taxes applicable to it.

In general, the other consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable to them in accordance with the specific legislation of each country.

The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

Tax receivables and payables

The detail of the tax receivables at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Deferred tax assets:		
Provision for restructuring costs	7,016	4,343
Tax loss and tax credit carryforwards	39,130	29,680
Provision for third-party liability	3,025	3,273
Other deferred tax assets	7,877	10,455
	57,048	47,751
Tax receivables (current):		
VAT refundable	11,890	3,674
Income tax refundable	1,667	1,367
Other	938	142
	14,495	5,183

The deferred tax assets relate mainly to the period provisions for restructuring costs, termination benefits and provisions for obligations to employees which will become tax-deductible in coming years.

The detail of the tax payables at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Deferred tax liabilities:		
Assets contributed by Logista	916	960
Revaluation of land owned by the Parent (Note 4.1)	8,550	8,550
Goodwill	94,098	92,314
Business Combination (Note 39)	269,138	-
Other	2,099	1,441
	374,711	103,265
Tax payables (current):		
Excise duty on tobacco products	3,431,411	1,664,382
VAT payable	812,684	443,916
Customs duty settlements	5,677	5,571
Income tax, net of prepayments	15,240	16,875
Personal income tax withholdings	2,418	2,567
Social security taxes payable	18,134	5,418
Tax retention to tobaccoists (France)	28,006	-
Other	7,851	2,636
	4,321,421	2,141,365

Short-term balances include mainly the "Excise Duty on Tobacco Products" accrued by the Parent and by Logista Italia, S.p.A. and pending payment to the tax authorities.

Until 2011, each year the Parent Company decreased its taxable profit by one twentieth of the implicit goodwill included in the acquisition price of its subsidiary in Italy. These reductions are considered to be temporary differences.

On 30 March 2012, Royal Decree-Law 12/2012 came into force, introducing various tax and administrative measures aimed at reducing the public deficit. These measures include limiting the tax deductibility of such goodwill to 1% per year.

Reconciliation of the accounting profit to the taxable profit

The reconciliation of the income tax expense resulting from the application of the standard tax rate in force in Spain to the income tax expense recognised for the periods ended 30 September 2013 and 2012:

	Thousands of Euros	
	2013	2012
Consolidated profit before tax	118,935	117,489
Income tax at the applicable tax rate	30,848	36,980
Tax credits arising from:		
Double taxation	(9)	(719)
Investments	(11)	(805)
Others	(499)	(43)
Current income tax expense	30,329	35,413

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2013 and 2012 were as follows:

2013

	Thousands of Euros				
	Balance at 30/09/12	Additions to the scope of consolidation (Note 39)	Business combination (Note 39)	Change in Profit	Balance at 30/09/13
Deferred tax assets:					
Provision for restructuring costs	4,343	-	-	2,673	7,016
Other deferred tax assets	43,408	9,100	-	(2,476)	50,032
	47,751	9,100	-	197	57,048
Deferred tax liabilities:					
Goodwill	92,314	-	-	1,784	94,098
Fixed assets	9,510	-	-	(44)	9,466
Purchase price allocation Logista France, S.A.S.	-	-	287,993	(18,855)	269,138
Other deferred tax liabilities	1,441	803	-	(235)	2,009
	103,265	803	287,993	(17,350)	374,711

2012

	Thousands of Euros		
	Balance at 30/09/11	Change in Profit	Balance at 30/09/12
Deferred tax assets:			
Provision for restructuring costs	7,494	(3,151)	4,343
Other deferred tax assets	41,915	1,493	43,408
	49,409	(1,658)	47,751
Deferred tax liabilities:			
Goodwill	89,453	2,861	92,314
Fixed assets	9,510	-	9,510
Other deferred tax liabilities	2,278	(837)	1,441
	101,241	2,024	103,265

Tax credit carryforwards

At 30 September 2013, the Company did not have any tax credit carryforwards.

27. Other current financial liabilities

This heading includes mainly the balance of the current account with Imperial Tobacco Enterprise Finance Limited, amounting EUR 87,144 thousand at 30 September 2013 (2012: EUR 10,098 thousand) (see Note 34).

Additionally, this caption includes the attributable balance of the loan granted to Compañía de Distribución Integral Logista, S.A.U. and GTECH Global Lottery, S.L.U., Unión Temporal de Empresas, which amounted to EUR 28,799 thousand as of 30 September 2013. This balance relates to the amount payable by the Group to Global Lottery arising from the debt acquired by the Group with the other participant in the UTE.

28. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet at 30 September 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Accounts payable for purchases and services	829,925	658,256
Notes payable	18,672	17,241
Payable to related companies (Note 34)	188,842	94,195
Advances received on orders	159	240
	1,037,598	769,932

"Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2013 and 2012 was approximately 33 days.

29. Other current liabilities

At 30 September 2013 and 2012 "Other Current Liabilities" includes mainly the remuneration payable to the employees of the various Group companies, as well as deferred liabilities.

30. Guarantee commitments to third parties

At 30 September 2013, the Group has been provided with bank guarantees totalling EUR 351,206 thousand (30 September 2012: EUR 290,150 thousand) which, in general, secure the fulfilment of certain obligations assumed by the consolidated companies in the performance of their business activities.

These guarantees include those that cover the assessments issued by the public authorities as a result of the inspections performed by the Spanish customs authorities of the settlement of excise duties on tobacco products for 2004 to 2009, which have been appealed and amount to EUR 107,114 thousand in 2013 (2012: 110,213 thousand). The directors consider that the risk of contingencies arising as a result of these guarantees is sufficiently covered by the provisions recognised at 30 September 2013 (see Note 25).

The remaining guarantees relate to normal commercial transactions; in this connection the Parent's directors consider that the liabilities not foreseen at 30 September 2013 and 2012 which might arise from the aforementioned guarantees provided would not, under any circumstances, be material.

At 30 September 2013 and 2012, the Group had taken out insurance policies to cover possible contingencies for transport and storage in factories and representative offices, fire and third-party liability for all its work centres. The insured sum adequately covers the aforementioned assets and risks.

31. Income and expenses

a) Revenue

The detail of "Revenue" in the consolidated income statements for 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Distribution and logistics	9,520,635	5,260,965
Publications and books	49,998	64,278
Transport	292,181	218,075
Total	9,862,814	5,543,318

b) Staff costs

The detail of the Group's "Staff Costs" in 2013 and 2012 is as follows:

	Thousands of Euros	
	2013	2012
Wages, salaries and similar expenses	200,250	135,613
Employer social security costs	61,468	32,955
Other employee benefit costs (Note 4.12)	3,075	2,881
Other social costs	16,441	5,762
	281,234	177,211

The average number of employees at the Group, by professional category, in 2013 and 2012, as well as the number of employees as of 30 September 2013 and 30 September 2012 was as follows:

2013

Category	Number of Persons							
	Average Headcount				Headcount at 30/09/13			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Management	27	1	-	-	26	1	-	-
Line personnel and clerical staff	1,195	1,023	122	140	1,182	998	129	161
Messengers	2,099	974	269	74	2,039	924	260	81
Total	3,321	1,998	391	214	3,247	1,923	389	242
TOTAL	5,319		605		5,170		631	

2012

Category	Number of Persons							
	Average Headcount				Headcount at 30/09/12			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Management	27	2	-	-	27	2	-	-
Line personnel and clerical staff	1,121	956	101	144	1,134	962	126	125
Messengers	1,161	576	258	57	1,178	602	281	77
Total	2,309	1,534	359	201	2,339	1,566	407	202
TOTAL	3,843		560		3,905		609	

The average number of disabled employees with a handicap higher than 33% at the Group in 2013 and 2012 was 53 and 46, respectively.

Remuneration of senior executives

Senior management functions are discharged by the members of the Management Committee.

The remuneration earned in 2013 by the members of the Parent's Management Committee amounted to EUR 4,846 thousand (2012: EUR 3,581 thousand), and included the remuneration received by certain executives who are also members of the Parent's Board of Directors. These amounts include the sums paid to members of the Management Committee in 2013 and 2012 relating to the incentive plan detailed in Note 4.12.

The contributions payable by the company in 2013 to pension plans for the members of the Parent's Management Committee amounted to EUR 465 thousand and EUR 41 thousand at 30 September 2013 and 2012.

c) Other operating expenses

The detail of "Other Operating Expenses" in the consolidated income statements is as follows:

Cost of logistics networks

	Thousands of Euros	
	2013	2012
Leases	34,483	29,250
Security and cleaning	16,185	11,164
Utilities	20,794	15,233
Other operating expenses	84,488	67,141
Total	155,950	122,788

Commercial expenses

	Thousands of Euros	
	2013	2012
Leases	2,529	187
Security and cleaning	18	1
Utilities	291	22
Other operating expenses	23,047	15,090
Total	25,885	15,300

Head office costs

	Thousands of Euros	
	2013	2012
Leases	5,122	2,379
Security and cleaning	864	557
Utilities	440	429
Other operating expenses	29,237	16,047
Total	35,663	19,412

d) Operating leases

The Company has the following future rental payment commitments, classified by year of maturity, without considering future contingent rent revisions (in thousands of Euros):

	Thousands of Euros	
	2013	2012
Within one year	19,936	10,868
Between one and five years	48,004	32,326
More than five years	13,403	7,566
Total	81,343	50,760

e) Finance income

The detail of "Finance Income" in the accompanying consolidated income statements is as follows:

	Thousands of Euros	
	2013	2012
Interest income	5,708	21,786
Other finance income	1,666	3,289
	7,374	25,075

f) Finance expenses

The detail of "Financial expenses" in the accompanying consolidated income statements is as follows:

	Thousands of Euros	
	2013	2012
Accrual for late payment interests and financial update of provisions (Note 25)	7,839	4,812
Negative exchange differences	11	26
Other financial costs	3,739	6,983
	11,589	11,821

g) Other disclosures

In 2013 and 2012 the fees for financial audit and other services provided by the Company's consolidated financial statements auditor, Deloitte, S.L., or by a company related to such auditor as a result of a relationship of control, common ownership or common management, as well as the fees for services invoiced by other auditors of the stand-alone financial statements of companies under the scope of consolidation, and the companies related to such other auditors as a result of a relationship of control, common ownership or common management were as follows (in thousands of Euro):

	Services rendered by the main auditor		Services rendered by other auditors	
	2013	2012	2013	2012
Audit services	1,083	806	121	137
Other attest services	26	5	82	97
Total audit and related services	1,109	811	203	234
Tax advisory services	134	284	-	-
Other services	-	-	-	-
Total professional services	1,243	1,095	203	234

32. Segment reporting

Basis of segmentation

Segment reporting is structured by geographical segment. The Group's business activities are located mainly in Spain, Portugal (Iberian Peninsula), France and Italy. "Corporate and Others" includes Poland.

Basis and methodology for segment reporting

The segment reporting below is based on monthly reports prepared by Logista Group management which are generated through a computer application which categorises the transactions by geographical area.

The segment's ordinary revenue relates to the ordinary income directly allocable to the segment plus the relevant proportion of the Group general revenue that can be allocated thereto using reasonable allocation bases. Each segment's ordinary revenue does not include interest or dividend income or gains arising from sale of investments.

The expenses of each segment are determined as the directly allocable expenses arising from its operating activities plus the relevant proportion of the expenses which may be allocated to the segment using reasonable allocation bases. The expenses allocated do not include interest or losses arising from the disposal of investments; similarly, they do not include the income tax expense or the head office's general administrative expenses that are not related to the segments' operating activities and, therefore, that cannot be allocated using reasonable allocation bases.

The segment profit or loss includes interest income, dividends and gains or losses on sale of investments, and it is presented before any adjustment for minority interests.

The assets and liabilities of the segments are those that are directly related to their operations plus those that can be directly attributed to them on the basis of the aforementioned allocation system, and include the proportional part of joint ventures. Segment liabilities do not include income tax liabilities.

Primary segment reporting

	Thousands of Euros									
	Iberia		Italy		France		Corporate and others		Total Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue:										
External sales	2,608,348	2,666,521	2,749,258	2,901,391	4,543,301	-	9,645	10,704	9,910,552	5,578,615
Inter-segment sales									(47,738)	(35,297)
Total revenue	2,608,348	2,666,521	2,749,258	2,901,391	4,543,301	-	9,645	10,704	9,862,814	5,543,318
Procurements:										
External procurements	(2,087,663)	(2,138,678)	(2,557,018)	(2,693,301)	(4,244,931)	-	-	-	(8,889,582)	(4,831,979)
Inter-segment procurements									38,278	29,699
Total revenue	(2,087,663)	(2,138,678)	(2,557,018)	(2,693,301)	(4,244,931)	-	-	-	(8,851,304)	(4,802,309)
Profit or loss:										
Segment result	76,504	62,547	36,523	52,907	23,745	-	(13,124)	(10,787)	123,648	104,667
Share of results of associates									(498)	(432)
Profit (Loss) from operations	76,504	62,547	36,523	52,907	23,745	-	(13,124)	(10,787)	123,151	104,235

Inter-segment sales are made at prevailing market prices.

The detail of the other disclosures related to the Group's business segments is as follows:

	Iberia			Italy			France			Corporate and others			Total Group		
	2013	2012		2013	2012		2013	2012		2013	2012		2013	2012	
Other disclosures:															
Additions to non-current assets	21,943	19,625		12,895	4,133		802,179	-		46	152		837,063	23,910	
Depreciation and amortisation charge	(29,349)	(28,721)		(5,213)	(4,645)		(58,073)	-		(200)	(196)		(92,835)	(33,562)	
Balance sheet:															
Assets-															
Property, plant and equipment	175,308	188,658		34,741	27,093		46,551	-		349	410		256,949	216,161	
Other non-current assets	86,859	95,143		680,247	684,083		977,289	-		166	277		1,744,562	779,503	
Inventories	384,310	369,684		256,698	308,364		558,059	-		-	-		1,208,067	678,048	
Trade receivables	415,136	520,435		320,665	320,676		823,553	-		736	559		1,560,090	841,670	
Other current assets													1,776,058	1,178,807	
Total consolidated assets													6,545,726	3,694,189	
Liabilities-															
Non-current liabilities	209,966	203,405		40,932	52,300		290,462	-		-	-		541,360	255,615	
Current liabilities	1,432,118	1,373,193		1,583,448	1,613,035		2,535,305	-		1,671	4,476		5,543,542	2,990,704	
Equity													460,824	447,870	
Total consolidated liabilities													6,545,726	3,694,189	

33. Foreign currency transactions

The Logista Group's foreign currency transactions in 2013 and 2012, measured in euros at the average exchange rate for the year, were as follows:

	Thousands of Euros	
	2013	2012
Sales	11,682	12,300
Purchases	5,400	5,763
Services received	5,252	4,922

34. Balances and transactions with related parties

The balances at 30 September 2013 and 2012 with associates and other related companies were as follows:

2013

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities	Accounts Receivable	Credit	Accounts Payable
Altadis, S.A.U.	253,244	1,320	-	42,314
Altadis Canarias, S.A.	-	1,572	-	6,254
Imperial Tobacco Enterprise Finance Limited	-	-	87,144	-
Imperial Tobacco Overseas Holding	-	2,264	-	12,492
Imperial Tobacco España, S.L.	6,920	-	-	-
Seita, S.A.S.	-	1,224	-	94,359
ITL French Branch	1,312,043	-	-	-
Imperial Tobacco Italia, Srl	-	72	-	19,343
Other	-	3,796	-	14,080
	1,572,207	10,248	87,144	188,842

2012

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities	Accounts Receivable	Credit	Accounts Payable
Altadis, S.A.U.	1,096,084	2,935	-	42,623
Altadis Canarias, S.A.	-	3,563	-	11,778
Imperial Tobacco International Limited	-	1,204	-	34,792
Imperial Tobacco Enterprise Finance Limited	-	-	10,098	-
Seita, S.A.S.	-	241	-	-
Altadis Distribution France, S.A.	-	791	-	-
Other	-	3,132	-	5,002
	1,096,084	11,866	10,098	94,195

The Parent holds a current account with Imperial Tobacco Enterprise Finance Limited, on which interest is paid by the latter at the European Central Bank interest rate, plus a 0.75% spread, both for debtor and creditor balances, pursuant to the agreement entered into by the two parties, which is automatically renewable every 30 September. The interest is payable on a quarterly basis. At 30 September 2013, the account payable on this

current account is approximately EUR 87,144 thousand (2012: EUR 10,098 thousand), which are recognised under "Payables to Group Companies and Associates" in the accompanying balance sheet.

In addition, the Parent holds since 1 January 2009 an agreement of treasury cessions with Altadis, S.A.U., which bears interest tied to the European Central Bank official rate plus a spread of 0.75% and which is renewed on an annual basis. At 30 September 2013 the balance amounts to EUR 253,244 thousand, including interests (2012: EUR 1,096,084 thousand).

Also, Logista France, S.A.S. holds since 1 October 2011 an agreement of treasury cessions with ITL French Branch, which bears interests tied to EONIA rate plus a spread of 0.125% and which is renewed on an annual basis. At 30 September 2013, the balance amounts to EUR 1,312,043 thousand, including interests.

The transactions with related companies in 2013 and 2012 were as follows:

2013

	Thousands of Euros			
	Operating Income	Finance Results	Purchases	Other Operating Expenses
Altadis, S.A.U.	10,860	3,160	423,242	-
Altadis Canarias, S.A	6,975	-	32,995	-
Tabacalera S.L. Central Overheads	1,633	-	-	146
Imperial Tobacco Italy, s.r.l.	854	-	58,999	-
Imperial Tobacco Polska, S.A.	-	-	-	3,621
Imperial Tobacco Manufacturing Polska, S.A.	-	-	-	836
Imperial Tobacco Enterprise Finance Limited	-	(734)	-	-
Imperial Tobacco International Limited	326	-	24,140	1,959
Imperial Tobacco Portugal SPPLC	38	-	-	600
Imperial Tobacco Morocco	115	-	-	-
ITL French Branch	-	2,066	-	-
Macotab, S.A.S.	-	-	384	-
SEITA, S.A.	8,129	4	503,463	-
Total	28,930	4,496	1,043,223	7,162

2012

	Thousands of Euros			
	Operating Income	Finance Results	Purchases	Other Operating Expenses
Altadis, S.A.U.	8,113	19,516	468,588	416
Altadis Canarias, S.A.	2,208	-	34,539	-
Altadis Polska, S.A.	556	-	-	-
Altadis USA	-	-	279	-
Imperial Tobacco Italy, s.r.l.	580	-	77,678	-
Imperial Tobacco Polska, S.A.	3,404	-	-	2
Imperial Tobacco Enterprise Finance Limited	-	1,566	-	-
Imperial Tobacco International Limited	1,947	-	18,655	-
Imperial Tobacco Portugal SPPLC	791	-	-	-
SEITA, S.A.	1,343	-	-	-
Promocigar	4	-	-	-
Total	18,946	21,082	599,739	418

35. Remuneration of directors

Remuneration of the Parent's directors

The remuneration received in 2013 by the Parent's directors as members of the Board or of certain of its standing committees, totalled EUR 263 thousand (2012: EUR 211 thousand).

In 2013 and 2012 the Parent did not carry out with its directors any transactions not relating to its ordinary business operations or transactions not carried out on an arm's length basis.

No obligations to the members of the Board of Directors have been acquired relating to life insurance, pension plans or similar items for the discharge of their duties.

All the directors are male, except for one female.

Detail of the investments in companies engaged in similar activities and of the similar activities carried on by the directors, as independent professionals or as employees of the Parent

Pursuant to Article 229 of the Spanish Capital Companies Law, in order to reinforce the transparency of corporations, following is a detail of the companies engaged in an activity that is identical, similar or complementary to the activity that constitutes the company object of Compañía de Distribución Integral Logista, S.A.U., in which the members of the Board of Directors, or own or have owned equity interests in 2013, and of the functions, if any, that they discharge thereat:

Owner	Investor	Line of Business	Ownership Interest	Functions
D ^a Alison Cooper	Imperial Tobacco Group	Tobacco manufacture	162,111 shares	C.E.O.
Mr. Luis Egido Gálvez	Imperial Tobacco Group	Tobacco manufacture	56,427 shares	General Manager, Logistics Business
Mr. Kenneth Hill	Imperial Tobacco Group	Tobacco manufacture	Less than 0.01%	Special projects manager
Mr. Conrad Tate	Imperial Tobacco Group	Tobacco manufacture	Less than 0.01%	Corporate Development manager

Also, pursuant to the aforementioned law, set forth below are the activities performed by the various members of the Board of Directors in 2013, which are identical, similar or complementary to the activities that constitute the company object of Compañía de Distribución Integral Logista, S.A.U.:

Name	Activity Performed	Type of Arrangement under which the Activity is Performed	Company through which the Activity is Performed	Position held or Function Discharged at the Company Concerned
Mr. Gregorio Marañón y Bertrán de Lis	Tobacco manufacture	Employee	Altadis, S.A.U.	Chairman of the Board
Mr. Luis Egido Gálvez	Distribution	Employee	Logista Italia, S.p.A.	Chairman of the Board
	Distribution	Employee	Logista Portugal (Branch)	Legal Representative
	Distribution	Employee	T2 Opellog, S.A.U.	Chairman of the Board
	Transport	Employee	Dronas 2002, S.L.U.	Chairman of the Board
Mr. Kenneth Hill	Tobacco manufacture	Employee	Commonwealth Brands	Chairman of the Board
	Vending machines manufacture	Employee	Sinclair Collins	Chairman of the Board
Mr. David Renekov	Tobacco manufacture	Employee	Imperial Tobacco Ltd.	Group's Financial Controller
Mr. Conrad Tate	Tobacco manufacture and sale	Employee	Reemtsma Cigaretten Fabriken GmbH	Member of the Supervising Committee
Mr. Rafael de Juan López	Transport	Employee	Dronas 2002, S.L.U.	Chairman of the Board
	Distribution	Employee	T2 Opellog, S.A.U.	Chairman of the Board
	Distribution	Employee	Logista Italia, S.p.A.	Chairman of the Board
	Distribution	Employee	Logista Publicaciones, S.L.U.	Chairman
Mr. Eduardo Zaplana Hernández-Soro	Telecommunications	Employee	Telefónica, S.A.	President's counsellor

36. Discontinued operations

In 2008 Logista Promotion et Transport, S.A.S. (formerly Logista France, S.A.S.) transferred its promotional and marketing material logistics business to Publidispatch, S.A.S., a company incorporated in 2008, and retained certain assets for their subsequent sale or disposal. Since the Group decided to dispose of the latter, these items have been recognised under "Non-Current Assets Held for Sale" since 2008.

In years 2013 and 2012 the Group recognised in profit from discontinued operations the provision recorded to cover the impairment of the net assets of this subsidiary, for a total amount of EUR 600 thousand in each year.

The detail of the assets owned by this company is as follows:

	Thousands of Euros	
	2013	2012
Buildings:		
Auby	2,117	2,117
Investment in Publidispatch, S.A.S.	392	392
Other	(2,909)	(2,309)
Total	(400)	200

In addition, this caption includes the loss incurred by RP Diffusion, S.A.S. in 2013 until the date of its sale, for an amount of EUR 422 thousand (Note 2.8.5).

37. Disclosures on the payment periods to suppliers. Additional Provision Three "Disclosure obligation" provided for in Law 15/2010, of 5 July

The detail of the disclosures required under Additional Provision Three of Law 15/2010, of 5 July regarding payments performed by group entities located in Spain is as follows:

Thousands of Euros	Amounts Paid and Payable at Year-End			
	2013		2012	
	Amount	%	Amount	%
Paid within the maximum payment period	2,472,974	99.4%	2,655,151	98.62%
Remainder	15,001	0.06%	37,146	1.38%
Total payments made in the year	2,487,975	100%	2,692,297	100%
Payables at year-end past due by more than the maximum payment period	3,046		3,296	

The figures shown in the foregoing table relate to suppliers of goods and services for the Spanish entities under the scope of consolidation which, attending to their nature, are classified as trade creditors, and, therefore, they include the figures relating to "Accounts payables for purchases and services" and "Notes payable" under current liabilities in the balance sheet.

The weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers past due by more than the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period. The weighted average period of late payment has been 6 days in 2013 (2012: 7 days).

The maximum payment period applicable to the Company in 2013 under Law 3/2004, of 29 December, on combating late payment in commercial transactions, was 60 days.

38. Environmental matters

In-force environmental legislation does not significantly affect the activities carried on by the Group and, therefore, it does not have any environmental liability, expenses, income, grants, assets, provisions or contingencies that might be material with respect to the Group's equity, financial position and results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

39. Business combination

On 9 October 2012, the Parent acquired all the shares of Altadis Distribution France, S.A.S. from Seita, S.A.S., a company also belonging to the Imperial Tobacco Limited Group. The transaction price was EUR 920,162 thousand, which were paid through the transfer of the same amount from the Parent's account receivable from Altadis, S.A.U.

Altadis Distribution France, S.A.S., which changed its name to Logista France S.A.S. in 2013, is the parent of a group engaged in the provision of logistics and distribution services in France and which at the date of the business combination was composed of the following companies:

- Supergroup, S.A.S.
- Société Allumetière Française, S.A.S.
- Strator, S.A.S.
- RP Diffusion, S.A.S. (this entity has been sold in the year 2013, please refer to Note 2.8.5).

Assets acquired and liabilities assumed at the acquisition date

The date of acquisition for accounting purposes is 30 September 2012. A detail of the assets and liabilities of the Altadis Distribution France, S.A.S. Group at that date is as follows (in thousands of euros):

ASSETS	30/09/2012	EQUITY AND LIABILITIES	30/09/2012
NON-CURRENT ASSETS:		EQUITY:	
Property, plant and equipment	26,897	Share capital	50,600
Goodwill	761	Reserves of the Parent	19,287
Other intangible assets	2,345	Reserves at consolidated companies	52,991
Other non-current financial assets	1,473	Consolidated profit for the period	51,166
Deferred tax assets	9,100	Equity attributable to the shareholders of the Parent	174,044
Total non-current assets	40,576	Minority interests	(61)
		Total equity	173,983
		NON-CURRENT LIABILITIES:	
		Long-term provisions	7,863
		Deferred tax liabilities	803
		Other non-current liabilities	122
		Total non-current liabilities	8,788
CURRENT ASSETS:		CURRENT LIABILITIES:	
Inventories	513,664	Bank borrowings	4
Trade and other receivables	894,582	Other current financial liabilities	115,155
Other current financial assets	1,299,791	Trade and other payables	2,587,148
Cash and cash equivalents	128,528	Short-term provisions	8,243
Other current assets	4,509	Other current liabilities	620
Total current assets	2,841,074	Total current liabilities	2,711,170
NON CURRENT ASSETS HELD FOR SALE	12,291		
TOTAL ASSETS	2,893,941	TOTAL EQUITY AND LIABILITIES	2,893,941

Within the context of the business combination, the fair value of the assets acquired and liabilities assumed by the Parent was measured, giving rise to the following allocation of the purchase price (in thousands of Euros):

	Fair value	Net booked value	Purchase Price allocation
Distribution agreements with tobacco manufacturers	776,400	-	776,400
Lands and buildings	36,983	15,618	21,365
Deferred tax liabilities	(288,796)	(803)	(287,993)

Goodwill arising in the business combination

The amount of goodwill arising in the business combination, following the allocation of the portion of the purchase price corresponding to the fair value of the assets acquired and liabilities assumed, was EUR 236,184 thousand (Note 8).

Impact of the business combination on the Group's profit or loss

A detail of the results contributed by the Logista France, S.A.S. and subsidiaries subgroup acquired in 2013 is as follows:

	2013
Revenue	4,543,301
Procurements	(4,244,931)
Gross profit	298,370
Cost of logistics networks-	
Staff costs	(42,902)
Transport costs	(40,925)
Depreciation and amortisation charge	(3,929)
Other operating expenses	(34,321)
Total cost of logistics networks	(122,077)
Commercial expenses-	
Staff costs	(34,771)
Other operating expenses	(13,959)
Commercial expenses	(48,730)
Research expenses-	(3,397)
Head office expenses-	
Staff costs	(30,089)
Depreciation and amortisation charge	(1,249)
Other operating expenses	(16,845)
Total head office expenses	(48,183)
Other results	208
Profit from operations	76,191
Financial result	2,050
Profit before tax	78,241
Income tax	(20,569)
Profit for the period from continuing operations	57,672
Loss for the period from discontinued operations net of tax	(422)
Profit for the period	57,250

40. Explanation added for translation to English

These consolidated financial statements are presented on the basis of IFRSs as adopted by the European Union. Certain accounting practices applied by the Group that conform with IFRSs may not conform with other generally accepted accounting principles.

Appendix I

Logista Group Subsidiaries

The companies detailed below were either fully consolidated, because they are companies in which the Logista Group owns majority voting rights, or were proportionately consolidated:

2013

Company	Audit firm	Location	% of ownership By the Parent Company		Net Book Value	Thousands of Euros			
						Data on the Companies			Profit/Loss Ejercicio
			Direct	Indirect		Assets	Liabilities	Equity	
Compañía de Distribución Integral de Publicaciones Logista, S.L.U.	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	100	-	-	45,564	48,270	(2,706)	(4,811)
Distribérica, S.A.U. (a)	Not audited	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	100	923	759	53	706	13
Publicaciones y Libros, S.A. (a)	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	100	530	4,131	4,390	(259)	(827)
Distribuidora del Noroeste, S.L. (a)	BDO	Gandarón, 34 Interior- Vigo	49	51	410	2,984	1,948	1,036	134
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	Not audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	80	64	925	771	154	33
Distribuidora de Publicaciones del Sur, S.L. (a)	BDO	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	-	50	5	2,823	2,645	178	203
Promotora Vascongada de Distribuciones, S.A. (a)	Not audited	C/ Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	-	100	4	658	897	(239)	(76)
Distribuidora de las Rías, S.A. (a)	Not audited	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña	-	100	251	1,366	1,062	304	39
Distribuidora Valenciana de Ediciones, S.A. (a)	Deloitte	Polígono Industrial Vara de Quart. c/ Pedrapiguera, 5. Valencia	-	50	-	3,123	2,427	696	(156)
Cyberpoint, S.L.U. (f)	Not audited	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	100	-	90	13	77	1
Distribuidora del Este, S.A.U. (a)	BDO	Calle Saturno, 11. Alicante	-	100	369	936	429	507	138
S.A.U. Distribuidora de Ediciones (a)	Deloitte	C/ B, Sector B Polígono Zona Franca. Barcelona	-	100	3,513	8,764	6,961	1,803	856
La Mancha 2000, S.A.U. (a)	Not audited	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara	100	-	1,352	2,971	653	2,318	130

Company	Audit firm	Location	% of ownership By the Parent Company		Net Book Value	Thousands of Euros			
			Direct	Indirect		Data on the Companies			
						Assets	Liabilities	Equity	Profit/Loss Ejercicio
Midsid - Sociedade Portuguesa de Distribuicao, S.A. (a)	Deloitte	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	-	1,679	29,556	27,877	1,679	(778)
Logista-Dis, S.A.U. (b)	Deloitte	C/ Trigo, 39. Poligono Industrial Polvoranca. Leganés	100	-	1,202	17,603	12,774	4,829	3,195
Logista Libros, S.L. (h)	Deloitte	Avda Castilla La Mancha, 2, Nave 3-4 Poligono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	50	-	892	38,559	36,775	1,784	(1,326)
Librodís Promotora y Comercializadora del Libro, S.A.U. (a) (h)	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Poligono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	-	50	-	419	573	(154)	155
Avanza Libros, S.L.U. (h)	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Poligono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	-	50	200	860	880	(20)	(3)
Logesta Gestión de Transporte, S.A.U. (d)	Deloitte	C/ Trigo, 39. Poligono Industrial Polvoranca. Leganés	100	-	4,510	35,180	29,251	5,929	1,274
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma	-	100	100	10,025	8,211	1,814	1,017
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)	-	60	185	2,908	2,319	769	151
Logesta Noroeste, S.A.U.	Deloitte	C/ Trigo, 39. Poligono Industrial Polvoranca. Leganés	-	100	446	693	149	544	(206)
Logesta Lusa Lda	Not audited	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100	-	32	62	(30)	(15)
Logesta Polska Sp. z o.o.	Not audited	Flory nr 9, lok 6. kod-00-586 Warszawa-(Polonia)	49	51	206	1,218	799	419	398
Logesta Deutschland GmbH	Not audited	Pilotysr 4. 80538- München-(Alemania)	-	100	100	1,032	981	51	47
Logesta France, s.a.r.l.	Not audited	25 Av. Du Bois de la Pie, Z.I, Paris Nord, 93290 Tremblay (Francia)	-	100	100	1,626	639	987	344
Dronas 2002, S.L.U. (c)	Deloitte	Pol, Industrial Nordeste, c/ Energia 25-29, Sant Andreu de la Barca	100	-	21,292	108,962	75,787	33,176	(4,501)
T2 Gran Canaria, S.A.U.	Deloitte	Urbanización El Cebadal, C/ Entrerrios, 3, Las Palmas de Gran Canaria	-	100	1,657	6,327	2,139	4,188	1,191
T2 Opellog, S.A.U.	Deloitte	Poligono Industrial Nordeste, C/ Industria, 53-65, San Andreu de la Barca	-	100	3,369	17,665	14,295	3,370	(462)
Logilenia Distribuidora Farmacéutica, S.L.U.	Not audited	C/ Trigo, 39, Poligono Industrial Polvoranca, Leganés	-	100	272	14,568	14,296	272	(98)
Logista Italia, S.p.A. (a)	Deloitte	Via in Arciones 98, Roma (Italia)	100	-	605,629	1,654,888	1,585,102	69,786	34,900

Company	Audit firm	Location	% of ownership By the Parent Company		Net Book Value	Thousands of Euros			
						Data on the Companies			Profit/Loss Ejercicio
			Direct	Indirect		Assets	Liabilities	Equity	
Terzia, S.p.A. (a)	Deloitte	Via in Arciones, 98, Roma (Italia)	-	68	166	7,390	7,147	244	(347)
Logista Transportes, Transitarios e Pharma, Lda. (d)	Deloitte	Expansao del area ind, Do Pasill, Lote 1-A, Palhava, Alcochete (Portugal)	100	-	-	8,262	8,948	(686)	(736)
Compañía de Distribución Integral Logista Polska, Sp z o.o. (a)	Not audited	Al, Jerolimskie 133, Warszawa, Polonia	100	-	2,051	1,786	1,671	115	(404)
Logista France, S.A.S. (a)	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes	100	-	920,161	2,793,980	2,643,007	150,973	42,170
Société Allumetiére Française, S.A.S. (b)	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade 77400 Saint-Thibault-des-Vignes	-	100	22,128	156,494	50,686	105,808	10,825
Supergroup, S.A.S. (b)	Deloitte	2 rue Louis de Broglie, Parc de l'Esplanade 77400 Saint-Thibault-des-Vignes	-	100	7,986	64,415	53,048	11,367	700
Strator, S.A.S.	Deloitte	Parc d'activité de la Brèche, 9 rue Olof Palme, Bâtiment Euclide, 94000 Créteil	-	85	-	5,381	14,665	(9,284)	(4,302)

- (a) All these companies engage in the distribution and dissemination of publications and in the distribution of tobacco and other consumer products in Spain, Italy, France and Portugal.
- (b) These companies engage in the purchase and sale of consumer products.
- (c) The Dronas Group engages in integrated shipping, express shipping and pharmaceutical logistics.
- (d) These companies' object is the performance of transport activities.
- (e) This company engages in the provision of an integrated logistics service in the organised catering network channel.
- (f) This company is specialised in software development for the management of points of sale for publications.
- (g) This group engages in the distribution of marketing, promotional and advertising material to retail networks and in the distribution of other consumer products.
- (h) This company has been proportionately consolidated.
- (i) This company is specialised in the development and sale of software and terminals for the points of sale.

Company	Audit firm	Location	% of ownership By the Parent Company		Net Book Value	Thousands of Euros			
						Data on the Companies			Profit/Loss Ejercicio
						Assets	Liabilities	Equity	
Compañía de Distribución Integral de Publicaciones Logista, S.L.U.	Deloitte	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	100	-	94	53,673	51,568	2,105	(6,756)
Logista Portugal, Distribuição de Publicações, S.A. y soc. dependientes (a):	Deloitte	Expansão del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100	-	33,227	37,232	(4,005)	(4,113)
Jornal Matinal, LDA. (a)	Deloitte	Expansão del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	80	167	595	375	220	51
Marco Postal Entrega Personalizada de Publicações, LDA. (a)	Deloitte	Expansão del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100	458	1,010	558	452	(25)
Distribérica, S.A.U. (a)	Not audited	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	100	2,632	2,723	5	2,718	2,025
Publicaciones y Libros, S.A. (a)	Deloitte	C/ Electricidad, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	100	530	4,128	3,561	567	(984)
Distribuidora del Noroeste, S.L. (a)	BDO	Gandarón, 34 Interior- Vigo	49	51	139	2,916	2,014	902	54
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	Not audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	80	64	866	745	121	3
Distribuidora de Publicaciones del Sur, S.L. (a)	BDO	Poligono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	-	50	5	2,892	2,917	(25)	(387)
Promotora Vascongada de Distribuciones, S.A.(a)	Not audited	C/Guipúzcoa 5. Poligono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	-	100	4	1,466	1,629	(163)	(321)
Distribuidora de las Rías, S.A. (a)	Not audited	Poligono PO.CO.MA.CO, Parcela D-28. La Coruña	-	100	231	1,194	929	265	55
Distribuidora Valenciana de Ediciones, S.A. (a)	Deloitte	Poligono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	-	50	-	3,691	2,839	852	(825)
Cyberpoint, S.L.U. (f)	Not audited	C/ Electricistas, 3. Pol. Ind. Pinares Llanos. Villaviciosa de Odón (Madrid)	-	100	76	85	9	76	11
Distribuidora del Este, S.A.U. (a)	BDO	Calle Saturno, 11. Alicante	-	100	369	882	513	369	(543)
S.A.U. Distribuidora de Ediciones (a)	Deloitte	C/ B, Sector B Poligono Zona Franca Barcelona	-	100	3,513	7,964	7,016	948	676
La Mancha 2000, S.A.U. (a)	Not audited	Avda. Castilla La Mancha sn. Cabanillas del Campo. Guadalajara	100	-	1,352	2,836	506	2,330	157
Midsid - Sociedade Portuguesa de Distribuição, S.A. (a)	Deloitte	Expansão del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	100	-	3,280	33,851	31,393	2,458	(1,494)
Logista-Dis, S.A. U.(b)	Deloitte	C/ Trigo, 39. Poligono Industrial Polvoranca. Leganés	100	-	1,202	17,070	13,201	3,869	2,235
Logista Libros, S.L. (h)	Deloitte	Avda Castilla La Mancha, 2. Nave 3-4 Poligono Ind La Quinta (Sector P-41) Cabanillas del Campo,	50	-	598	51,187	48,077	3,110	902

Company	Audit firm	Location	% of ownership By the Parent Company		Net Book Value	Thousands of Euros			
						Data on the Companies			
			Direct	Indirect		Assets	Liabilities	Equity	Profit/Loss Ejercicio
Librodis Promotora y Comercializadora del Libro, S.A.U. (a) (h)	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Poligono Ind La Quinta (Sector P-41) Cabanillas del Campo,	-	50	99	58	366	(308)	(241)
Avanza Libros, S.L.U. (h)	Not audited	Avda Castilla La Mancha, 2, Nave 3-4 Poligono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	-	50	100	1,580	1,597	(17)	(341)
Logesta Gestión de Transporte, S.A.U. (d)	Deloitte	C/ Trigo, 39, Poligono Industrial Polvoranca. Leganés	100	-	4,510	34,152	27,271	6,881	2,252
Logesta Italia, s.r.l.	Deloitte	Via in Arcione 98. Roma	-	100	100	8,196	6,570	1,626	830
Transportes Basegar, S.A.	Deloitte	C/ Chavarri, S/N, Edificio Reimasa. Sestao (Vizcaya)	-	60	186	3,237	2,618	619	158
Logesta Noroeste, S.A.U.	Deloitte	C/ Trigo, 39, Poligono Industrial Polvoranca. Leganés	-	100	615	1,270	519	751	(289)
Logesta Lusa Lda	Not audited	Expansao del area ind. Do Pasill, Lote I-A, Paliava. Alcochete (Portugal)	-	100	(7)	51	66	(15)	(51)
Logesta Polska Sp. z o.o.	Not audited	Flory nr 9, lok 6. kod-00-586 Warszawa--(Polonia)	49	51	-	1,266	1,244	22	433
Logesta Deutschland GmbH	Not audited	Pilotystr 4. 80538- München-(Alemania)	-	100	100	242	238	4	(26)
Logesta France, s.a.r.l.	Not audited	25 Av, Du Bois de la Pie, Z.I, Paris Nord, 93290 Tremblay (Francia)	-	100	100	2,432	1,789	643	191
Dronas 2002, S.L.U. (c)	Deloitte	Pol. Industrial Nordeste, c/ Energia 25-29, Sant Andreu de la Barca	100	-	21,292	117,336	79,659	38,677	2,948
T2 Gran Canaria, S.A.U.	Deloitte	Urbanización El Cebadal, C/ Entrerrios, 3, Las Palmas de Gran Canaria	-	100	1,657	6,446	2,403	4,044	1,047
T2 Opellog, S.A.U.	Deloitte	Poligono Industrial Nordeste, C/ Industria, 53-65, San Andreu de la Barca	-	100	4,330	12,909	8,579	4,330	554
Loglenia Distribuidora Farmacéutica, S.L.U.	Not audited	C/ Trigo, 39, Poligono Industrial Polvoranca, Leganés	-	100	370	6,905	6,535	370	(41)
Logista Italia, S.p.A. (a)	Deloitte	Via in Arcione 98. Roma (Italia)	100	-	605,629	1,710,684	1,627,463	83,221	48,519
Terzia, S.p.A. (a)	Deloitte	Via in Arcione 98, Roma (Italia)	-	68	408	6,993	6,402	591	(531)
Logista Transportes, Transitarios e Pharma, Lda. (d)	Deloitte	Expansao del area ind. Do Pasill, Lote I-A, Paliava, Alcochete (Portugal)	100	-	940	7,977	9,299	(1,322)	(1,378)
Compañía de Distribución Integral Logista Polska, Sp z o.o. (a)	Not audited	Al. Jerozolimskie 133, Warszawa, Polonia	100	-	-	1,641	5,111	(3,470)	(783)

- (a) All these companies engage in the distribution and dissemination of publications and in the distribution of tobacco and other consumer products in Spain, Italy, France and Portugal,
- (b) These companies engage in the purchase and sale of consumer products,
- (c) The Dronas Group engages in integrated shipping, express shipping and pharmaceutical logistics,
- (d) These companies' object is the performance of transport activities,
- (e) This company engages in the provision of an integrated logistics service in the organised catering network channel,
- (f) This company is specialised in software development for the management of points of sale for publications,
- (g) This group engages in the distribution of marketing, promotional and advertising material to retail networks and in the distribution of other consumer products,
- (h) This company has been proportionately consolidated,

Appendix II

Logista Group Associates

The companies detailed below were accounted for using the equity method:

2013

Company	Audit Firm	Location	Activity	% of ownership			Net Book Value	Thousands of Euros			
				By the Parent Company		Indirect		Data on the Companies			
				Direct				Assets	Liabilities	Equity	Profit/Loss Of the year
Dima Distribución Integral, S.L, (*) Logesta Maroc, S.A. (****)	Deloitte Not audited	Poligono Industrial Los Olivos, C/ Confianza, 1, Getafe, Madrid 87 Rue Ahmed El Casablanca (Marruecos)	Distribution and dissemination of publications Transport	- -	20 34	9	- 53	- 53	6,539 -	(6,539) 53	(2,488) -

(*) Held indirectly through Compañía de Distribución Integral de Publicaciones Logista, S.L.U.

(***) Held indirectly through Logesta Gestión de Transporte, S.A.U.

2012

Company	Audit Firm	Location	Activity	% of ownership			Net Book Value	Thousands of Euros			
				By the Parent Company		Assets		Liabilities	Equity	Profit/Loss Of the year	
				Direct	Indirect						
Dima Distribución Integral, S.L. (*)	Deloitte Patricio Moreira, Valente & Asociados SROC Not audited	Polígono Industrial Los Olivos, C/ Confianza, 1, Getafe, Madrid	Distribución y difusión editorial	-	20	-	4,052	(4,052)	(2,563)		
International News Portugal, LDA, (**)		Alameda dos Oceanos,, Lote 1º Lisboa	Distribución y difusión editorial	-	20	2,238	-	2,238	488		
Logesta Maroc, S.A. (***)		87 Rue Ahmed El Casablanca (Marruecos)	Transporte	-	34	53	-	53	(50)		

(*) Held indirectly through Compañía de Distribución Integral de Publicaciones Logista, S.L.U.

(**) Held indirectly through Logista Publicaciones Portugal, S.A.

(***) Held indirectly through Logesta Gestión de Transporte, S.A.U.

Compañía de

Distribución Integral Logista, S.A.U. and Subsidiaries

Consolidated Directors' Report
for the period ended
30 September 2013

1. Business performance of the LOGISTA GROUP in 2013 and Group situation

In 2013 the Logista Group reported revenue of EUR 9,863 million and profit from operations of EUR 123.2 million, with its financial statements including for the first time the activities of the business in France following the acquisition of Logista France (formerly ADF Groupe) at the beginning of the fiscal year.

The difficult economic situation in which the Group has been operating in recent years continued, and even worsened, in 2013, due to the ongoing weakness of consumer spending and the renewed sharp falls in cigarette sales in the main countries. Nevertheless, the Group recognised a net profit of EUR 87.6 million, demonstrating, once again, the strength of its business model based on the continuous optimisation of costs, the integration of businesses and the constant incorporation of new customers and services.

The main measures taken by the Logista Group in 2013 in the various segments which, following the inclusion of the Logista France business, are based on geographical areas, were as follows:

- ♦ The Iberia segment includes the activities in the Spanish market (in distribution and logistic services for tobacco, stamps, documents and telephony, lottery products, advertising material, convenience items and pharmaceutical products, as well as in transport and publishing) and the Portuguese market (in distribution/logistic services and wholesale distribution of tobacco products, distribution and logistic services for pharmaceutical products, as well as in transport). The revenue of this division totalled EUR 2,608 million and its profit from operations amounted to EUR 76.5 million.

The tobacco distribution business in Spain continued to be affected by the falling market volumes in the cigarette segment which, for the fourth consecutive year, experienced double-digit decreases (-12% in the period from 1 October 2012 to 30 September 2013), representing a more than 40% reduction in this market over the last four years. The impact of these falling figures has been offset by increases in prices and rates and ongoing cost control.

Thanks to the sales drive carried out during the year, the convenience business managed to improve its earnings, despite the continuing weakness observed in consumer spending in general.

Once again the Logista Pharma business achieved substantial progress in billings, thanks to the addition of new customers and services, which enabled it to weather the adverse conditions affecting the Spanish pharmaceutical industry.

Sales in the publishing distribution business continued to decline in both the publication and book markets. However, the restructuring and cost control measures taken to mitigate the effect of the decline in sales in the publications industry, the divestment in 2013 of all the shares of the Group's subsidiary Logista Publicações Portugal and the addition of new services for the main customers in the book distribution business resulted in a substantial improvement in the division's results.

The transport activity, beleaguered by the continual downward pressure on prices and the lethargy in the movement of goods in the Spanish market, was able to partially offset the decline in sales through ongoing improvements in efficiency.

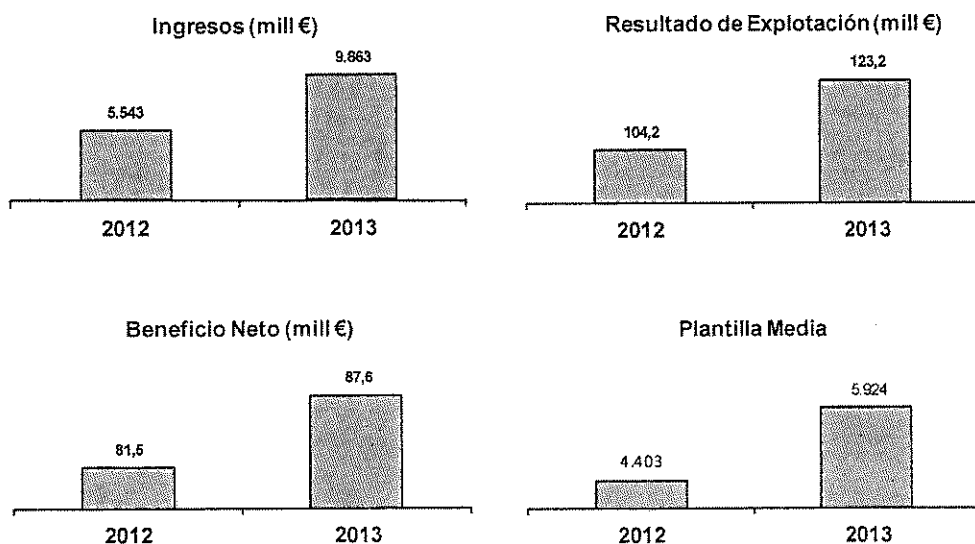
- ♦ The Italian segment encompasses tobacco distribution and logistic services and the wholesale distribution of convenience items in the tobacconist channel. The revenue of this division totalled EUR 2,749 million and its profit from operations amounted to EUR 36.5 million.

The Italian tobacco distribution business was characterised by the shrinkage of market volumes in the cigarette segment (-6% in the fiscal year), the complete overhaul of the distribution model and the extraordinary impact of the increase in VAT from 21% to 22% on 1 October 2013. This led to the recognition of a provision of EUR 8.4 million at 30 September 2013 for the temporary impact this increase in VAT (not immediately passed on by the tobacco producers to the retail price) has on the measurement of the Group's inventories in the Italian market.

- ♦ The French segment includes distribution and logistic services for tobacco and telephony, the wholesale distribution of convenience items and electronic transactions through various channels (tobacconists', petrol stations, bakeries, etc.), in addition to the development and marketing of POS terminals for the tobacconist channel. The revenue of this division totalled EUR 4,543 million and its profit from operations amounted to EUR 23.7 million, after deducting the impact of amortising the fair value allocated to the assets acquired following the acquisition of Logista France.
- ♦ The French tobacco distribution business was also affected by a sharp fall in the market volume in the cigarette segment (-9% in the period from 1 October 2012 to 30 September 2013). However, the increase in rates, together with the measures taken to adapt the cost structure to the market situation, made it possible to offset the decrease in the level of activity.

The economic environment and muted consumer spending affected performance in all other areas of activity.

A comparison of the main indicators for 2013 (October 2012 - September 2013) with the indicators reported in 2012 (October 2011 - September 2012) is as follows:



Risk exposure

The main risks and uncertainties facing the Group relate to possible regulatory changes in the industries in which it operates, the normal operational risks arising in the ordinary course of business, which are insured externally, and counterparty risks (customer doubtful debts), which are scantily material.

The Group could also be affected by the risks arising from the adverse economic climate worldwide and their possible impact on consumption in the markets and industries in which the Group is present.

The Group complies with all the requirements and has all the licences and permits, etc. required to operate in the various markets and industries in which it carries on its business activities, and it has established, through its organisational structure, the appropriate procedures and controls to enable it to identify, prevent and mitigate the risks of change in the regulatory framework and, similarly, to comply with the obligations imposed by the various legislations applicable to it.

The Group's main financial assets are cash and cash equivalents, trade and other receivables and investments. These items represent the Group's maximum exposure to credit risk.

The Logista Group currently has the following units and committees which ensure the effectiveness of the risk controls in place:

- Security Committee: Its role is to prevent risks and threats of an antisocial nature and to protect the assets and employees of Logista or any of its undertakings against such risks and threats.
- Environment and Quality Committee: This committee establishes the action policy for the various business units of the Logista Group in all matters relating to its commitment to the environment and quality, and fosters the implementation of and adherence to these action principles by issuing internal corporate regulations.
- Internal Control and Crime Risk Prevention Committee: Reporting to the Directors Board's Audit and Control Committee, its objectives are i) ensure the continuous development and execution of the Internal Control System of the Group, in all the countries and businesses, and ii) safeguard the effective prevention of criminal risks in the Logista Group's companies in Spain.
- Administration and Internal Control Department - Insurance Area: the Administration Department is responsible for analysing the accidental risks which may affect both the Logista Group's assets and the performance of its business activities and, in the light of these risks, it arranges the external insurance coverage it deems necessary.

It is also responsible for protecting the Group's assets and ensuring the reliability of financial reporting.

- Cash Department – Financial Risk and Credit Area: Its functions are to limit and control any financial risks arising from commercial relationships with third parties, establishing, where necessary, the related credit limits, and to set a doubtful debt provisioning policy.
- Internal Audit Department: the Company's Internal Audit Department is responsible for providing support to the Directors Board's Audit and Control Committee and the Group's Internal Control Committee in complying with its duties and responsibilities, furnishing it with objective analyses, assessments and recommendations in accordance with the established work plan. Specifically, the main activities to be performed are as follows:
 - Participate in the monitoring of the external auditors' work, including the planning, quality, independence and terms of business thereof.
 - Assist in the review of the Group's financial information, particularly in unaudited periods.
 - Guarantee appropriate system for the evaluation of the internal control and information systems, identifying the possible improvements therein and promoting their implementation.
 - Identify risks and assess the associated controls, mainly by carrying out the annual audit plan.
 - Provide technical support to Group management on financial and accounting matters as and when required.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated balance sheet are net of allowances for doubtful debts, estimated by Group management based on prior experience and its assessment of the current economic environment. The Group's credit risk is not particularly high since its customer portfolio is very fragmented and distributed among a large number of counterparties. The Group's main customers are kiosk owners and tobacconists.

The management of the risks to which the Logista Group is exposed in the course of its business activities constitutes one of the basic pillars of the action taken by it with the aim of preserving the value of the Group's assets and, as a result, the value of the Sole-Shareholder's investment. Through the Group's global risk

management approach, the risk management system is structured and defined to achieve the strategic and operating objectives. This system for controlling risks is managed and supervised by the Audit Committee and the Board of Directors, which delegates these functions to Internal Audit and Internal Control.

The Group's Financial Department has the basic objective of preserving the value of the Group's assets in all its business units and in all the countries in which it operates (mainly Spain, Italy, France, Portugal and Poland) by analysing and preventing risks and optimising the management of the main losses.

Default rates in all the geographical areas in which the Group operates have historically remained at very low levels.

In relation to liquidity risk, the Group holds sufficient cash and cash equivalents to meet the payment obligations arising from its ordinary operations. Also, if it needs ad-hoc financing, the Group has credit lines available to it.

In relation to exposure to interest rate risk, in view of the Group's low level of financial debt, the Parent's management considers that the impact that a potential rise in interest rates could have on the accompanying consolidated financial statements would not be significant.

Additionally, the level of exposure of the Group's equity and consolidated income statement to the effects of future changes in prevailing exchange rates is not significant since the Group's volume of transactions in currencies other than the euro is not material.

Environment

The Group's ongoing commitment to the environment is reflected in the Environmental Corporate Strategic Plan for FY14-FY16, which consists of ambitious projects that will ensure that our environmental management remains at excellent levels (e.g. Environmental Balanced Scorecard, energy efficiency, calculation and verification of carbon footprint, industrial and environmental legislation database, environmental awareness tool, etc.)

In 2013 the Group took numerous steps to support its commitment to continuous improvement, such as the creation of a corporate team specialising in quality and environmental management, the acquisition of software to control and optimise the environmental management of the Group's main warehouses and various measures that have enabled it to reduce resources consumed and waste generated, as well as to optimise installations, industrial processes and materials used.

2. Significant events for the Group after the reporting period

No significant events took place after the reporting period that could have a significant impact on the accompanying consolidated financial statements.

3. Outlook for the Group

In 2014 the Logista Group will continue to focus its efforts on its most profitable activities and businesses and/or those with the greatest potential to grow. The Group's growth, as well as its leadership position in strategic niche industries in Southern Europe, will be secured by selective transactions and alliances in new businesses and bolstered by the experience and service quality of the distribution channels in which the Logista Group regularly operates.

4. Research and development activities

The Logista Group invested EUR 5.9 million in development activities in 2013. These investments were made mainly to adapt new businesses, automate processes and develop own software.

5. Treasury shares

At 30 September 2013, the Group did not have any treasury shares.

6. Use of financial instruments

No Group company uses financial instruments that might affect the correct measurement of the assets and liabilities recognised in the consolidated balance sheet.

Certificate on the issuance of the financial statements

Certificate issued to attest that the undersigned members of the Board of Directors of Compañía de Distribución Integral Logista, S.A. (Sole-Shareholder Company) are apprised of the contents of these financial statements and directors' report which were authorised for issue at the Board of Directors' meeting on 27 November 2013 and are set forth on 71 sheets, on the obverse only, all of which are signed by the Chairman and Secretary of the Board of Directors, who in witness whereof, have signed below:

Mr. Gregorio Marañón y Bertrán de Lis
Chairman

Mr. Luis Egido Gálvez
Chief Executive

Mr. Stéphane Lissner
Director

Mr. Miguel Ángel Barroso Ayats
Director

Mr. Eduardo Zaplana
Director

Ms. Alison Cooper
Director

Mr. Kenneth Hill
Director

Mr. David Ian Resnekov
Director

Mr. Conrad Richardson Tate
Director

Mr. Rafael de Juan López
Director and Secretary of the Board

Madrid, 27 November 2013